

## HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 30, 1947

The House met at 10 o'clock a. m.

Rev. Donald Scott McAlpine, former pastor of Mariners Harbor Baptist Church, Staten Island, N. Y., offered the following prayer:

O Thou infinite and perfect Spirit in whom all things have their source, support, and end, Thou who hast given eternal life to those who believe in Thy son, Jesus Christ, our Lord, we pray that all who humbly seek Thee this day may know that Thou dost hear them. Thou God of gracious wisdom, who hast given us even the right to choose the wrong, help us to shorten the days of our lessons and soon to shape our minds into unison with Thy divine purpose. Thus may we hasten the time when Thy will shall be done on earth as it is in heaven, and the nations of this world become the kingdom of our God and His Christ, to whom be glory and honor, majesty and power, both now and evermore. Amen.

The Journal of the proceedings of yesterday was read and approved.

## RELIEF ASSISTANCE TO PEOPLE OF COUNTRIES DEVASTATED BY WAR

The SPEAKER. The unfinished business is the further consideration of the joint resolution (H. J. Res. 153) providing for relief assistance to the people of countries devastated by war.

The Clerk will report the first amendment upon which a separate vote is demanded.

The Clerk read as follows:

On page 1, line 4, after "not to exceed" strike out "\$350,000,000" and insert "\$200,000,000."

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker being in doubt, the House divided and there were—ayes 51, noes 37.

Mr. BLOOM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 225, nays 165, not voting 41, as follows:

[Roll No. 44]

YEAS—225

Abernethy	Bender	Busbey
Allen, Calif.	Bennett, Mich.	Butler
Allen, La.	Bennett, Mo.	Byrnes, Wis.
Almond	Bishop	Case, S. Dak.
Andersen,	Blackney	Chenoweth
H. Carl	Boggs, Del.	Chipperfield
Anderson, Calif.	Bolton	Church
Andersen,	Bradley, Calif.	Clevenger
August H.	Bradley, Mich.	Clippinger
Angell	Bramblett	Coffin
Arends	Brehm	Cole, Kans.
Arnold	Brooks	Cole, Mo.
Auchincloss	Brophy	Cox
Banta	Brown, Ohio	Cravens
Barden	Buck	Crawford
Barrett	Buffett	Crow
Nates, Mass.	Burke	Cunningham
Beall	Burleson	Curtis

Dague	Jones, Ohio	Robison
Davis, Ga.	Jones, Wash.	Rockwell
Dawson, Utah	Jonkman	Rogers, Mass.
Devitt	Kean	Rohrbough
D'Ewart	Kearney	Ross
Dirksen	Kearns	Russell
Dolliver	Keefe	St. George
Dondero	Kersten, Wis.	Sanborn
Dorn	Kilburn	Sarbacher
Doughton	Knutson	Schwabe, Okla.
Elliott	Kunkel	Scoblick
Ellis	Landis	Scott, Hardie
Elsaesser	Larcade	Scott,
Elston	Latham	Hugh D., Jr.
Engel, Mich.	LeCompte	Scrivner
Engle, Calif.	LeFevre	Seely-Brown
Fellows	Lemke	Shafer
Fenton	Lewis	Short
Fisher	Love	Simpson, Ill.
Fletcher	Lucas	Simpson, Pa.
Foot	McConnell	Smith, Kans.
Gamble	McCowan	Smith, Ohio
Gathings	McDonough	Smith, Wis.
Gavin	McDowell	Springer
Gearhart	McGarvey	Stanley
Gillette	McGregor	Stefan
Gillie	McMahon	Stevenson
Goff	McMillen, Ill.	Stockman
Goodwin	Maloney	Stratton
Graham	Martin, Iowa	Sundstrom
Grant, Ind.	Mason	Taber
Griffiths	Meyer	Talle
Gross	Michener	Taylor
Gwinn, N. Y.	Miller, Md.	Teague
Gwynne, Iowa	Miller, Nebr.	Thomas, N. J.
Hagen	Mundt	Thomas, Tex.
Hale	Murray, Tenn.	Tibbott
Hall	Murray, Wis.	Towe
Edwin Arthur	Nodar	Twyman
Hall,	Norblad	Vail
Leonard W.	O'Hara	Van Zandt
Halleck	O'Konski	Vorys
Hand	Pace	Vursell
Hardy	Passman	Welchel
Harness, Ind.	Phillips, Calif.	Welch
Harrison	Phillips, Tenn.	Wheeler
Herter	Ploeser	Whitten
Hess	Plumley	Whittington
Hill	Ramey	Wigglesworth
Hoeven	Rankin	Williams
Holmes	Redden	Wilson, Ind.
Hope	Reed, Ill.	Winstead
Horan	Reed, N. Y.	Wolcott
Hull	Rees	Wolverton
Jenison	Reeves	Wood
Jenkins, Ohio	Rich	Woodruff
Jensen	Rivers	Worley
Johnson, Ill.	Rizley	Youngblood
Johnson, Ind.	Robertson	

NAYS—165

Albert	Eaton	Keating
Andrews, Ala.	Eberharter	Kee
Andrews, N. Y.	Evins	Kelley
Bakewell	Fallon	Kennedy
Bates, Ky.	Felghan	Keogh
Battle	Fernandez	Kerr
Beckworth	Flannagan	Kilday
Bell	Fogarty	Kirwan
Biatnik	Forand	Klein
Bloom	Fulton	Lane
Boggs, La.	Gary	Lanham
Bonner	Gordon	Lea
Boykin	Gore	Lesinski
Brown, Ga.	Gorski	Lodge
Bryson	Gossett	Lusk
Buchanan	Granger	Lyle
Byrne, N. Y.	Grant, Ala.	Lynch
Camp	Gregory	McCormack
Canfield	Harless, Ariz.	McMillan, S. C.
Cannon	Havener	MacKinnon
Case, N. J.	Hays	Madden
Chadwick	Hedrick	Mahon
Chapman	Heffernan	Manasco
Chief	Hendricks	Manfield,
Clark	Heseltun	Mont.
Clason	Hinsaw	Marcantonio
Cole, N. Y.	Hobbs	Mathews
Combs	Hollifield	Merron
Cooley	Huber	Miller, Calif.
Copper	Jackson, Calif.	Miller, Conn.
Corbett	Jackson, Wash.	Mills
Coudert	Jarman	Monroney
Courtney	Javits	Morgan
Crosser	Jenkins, Pa.	Morris
Davis, Tenn.	Johnson, Calif.	Muhlenberg
Deane	Johnson, Okla.	Murdoch
Delaney	Johnson, Tex.	Nixon
Dingell	Jones, Ala.	O'Brien
Donohue	Jones, N. C.	O'Toole
Donaghy	Judd	Owens
Drewry	Karsten, Mo.	Patman

Patterson	Rains	Smith, Maine
Peden	Rayburn	Smith, Va.
Peterson	Rayfel	Snyder
Pfeifer	Richards	Somers
Philbin	Riehlman	Spence
Pickett	Riley	Stigler
Poage	Rogers, Fla.	Thomason
Potts	Rooney	Tollefson
Poulson	Sabath	Trimble
Powell	Sadiak	Wadsworth
Preston	Sadowski	Walter
Price, Fla.	Sasser	Wilson, Tex.
Price, Ill.	Sheppard	Zimmerman
Priest	Sikes	
Rabin	Smathers	

## NOT VOTING—41

Allen, Ill.	Ellsworth	King
Bland	Folger	Macy
Buckley	Fuller	Mansfield, Tex.
Bulwinkle	Gallagher	Meade, Ky.
Carroll	Garlach	Meade, Md.
Carson	Gifford	Mitchell
Celler	Harris	Morrison
Clements	Hart	Morton
Colmer	Hartley	Norrell
Cotton	Hébert	Norton
D'Alesandro	Hoffman	Schwabe, Mo.
Dawson, Ill.	Howell	Vinson
Domengeaux	Jennings	West
Durham	Kefauver	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Schwabe of Missouri for, with Mr. D'Alesandro against.  
Mr. Howell for, with Mrs. Norton against.  
Mr. Norrell for, with Mr. Vinson against.  
Mr. Cotton for, with Mr. King against.  
Mr. Hartley for, with Mr. Hart against.  
Mr. Meade of Kentucky for, with Mr. Meade of Maryland against.

General pairs until further notice:

Mr. Mitchell with Mr. Harris.  
Mr. Macy with Mr. Folger.  
Mr. Carson with Mr. Durham.  
Mr. Ellsworth with Mr. Colmer.  
Mr. Fuller with Mr. Kefauver.  
Mr. Gallagher with Mr. Morrison.  
Mr. Jennings with Mr. Domengeaux.

Mr. WOLCOTT changed his vote from "nay" to "yea."

Mr. REDDEN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

On page 1, after line 8, add a new sentence as follows:

"Provided, That none of the funds authorized to be appropriated herein shall be expended in or used for such relief assistance in those countries whose governments are dominated by the Union of Soviet Socialist Republics unless the governments of the countries covered by this amendment agree to the following regulations which are hereby declared to be applicable to every country receiving aid under this act.

"The State Department shall establish and maintain out of the funds herein authorized for appropriation a relief-distribution mission for each of the countries receiving aid under this act. This relief-distribution mission shall be comprised solely of American citizens who shall have been approved as to loyalty and security by the Federal Bureau of Investigation. These missions shall have direct supervision and control of relief supplies in each country and when it is deemed desirable by the American authorities administering the provisions of this act these relief missions shall be empowered to retain possession of these sup-

plies up to the city or local community where our relief supplies are actually made available to the ultimate consumers."

The SPEAKER. The question is on agreeing to the amendment.

Mr. BLOOM. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 324, nays 75, not voting 32, as follows:

[Roll No. 45]

YEAS—324

Abernethy	Devitt	Kean
Albert	D'Ewart	Kearney
Allen, Calif.	Dirksen	Kearns
Allen, Ia.	Dolliver	Keating
Almond	Dondero	Keefe
Andersen,	Donohue	Kerr
H. Carl	Dorn	Kersten, Wis.
Anderson, Calif.	Doughton	Kilburn
Andresen,	Drewry	Knutson
August H.	Eaton	Kunkel
Andrews, Ala.	Elliott	Landis
Andrews, N. Y.	Ellis	Lanham
Angell	Elsasser	Larcade
Arends	Elston	Latham
Arnold	Engel, Mich.	Lea
Auchincloss	Engle, Calif.	LeCompte
Bakewell	Evins	LeFevre
Banta	Fallon	Lemke
Barden	Fellows	Lewis
Barrett	Fenton	Lodge
Bates, Ky.	Fernandez	Love
Bates, Mass.	Fisher	Lucas
Beall	Fletcher	Lusk
Bell	Footo	McConnell
Bender	Fulton	McDonough
Bennett, Mich.	Gamble	McDowell
Bennett, Mo.	Gathings	McGarvey
Bishop	Gavin	McGregor
Blackney	Gearhart	McMahon
Blatnik	Gillette	McMillan, S. C.
Boggs, Del.	Gillie	McMillen, Ill.
Boggs, La.	Goff	MacKinnon
Bolton	Goodwin	Maloney
Bonner	Graham	Mansfield,
Boykin	Granger	Mont.
Bradley, Calif.	Grant, Ala.	Martin, Iowa
Bradley, Mich.	Grant, Ind.	Mason
Bramblett	Gregory	Mathews
Brehm	Griffiths	Meade, Md.
Brooks	Gross	Meyer
Brophy	Gwinn, N. Y.	Michener
Brown, Ga.	Gwynne, Iowa.	Miller, Conn.
Brown, Ohio	Hagen	Miller, Md.
Bryson	Hale	Miller, Nebr.
Buck	Hall,	Edwin Arthur Mills
Buffett	Edwin Arthur Mills	Morrison
Burke	Hall,	Muhlenberg
Burleson	Leonard W.	Mundt
Busbey	Halleck	Murdock
Butler	Hand	Murray, Tenn.
Byrnes, Wis.	Hardy	Murray, Wis.
Camp	Harless, Ariz.	Nixon
Canfield	Harness, Ind.	Noder
Cannon	Harris	Norblad
Case, N. J.	Harrison	Norrell
Case, S. Dak.	Hays	O'Brien
Chadwick	Hébert	O'Hara
Chapman	Hendricks	O'Konski
Chelf	Herter	Owens
Chenoweth	Heselton	Pace
Chiperfield	Hess	Passman
Church	Hill	Patman
Clason	Hoeven	Patterson
Clevenger	Hoffman	Peden
Clippinger	Holifield	Philbin
Coffin	Holmes	Phillips, Calif.
Cole, Kans.	Hope	Phillips, Tenn.
Cole, Mo.	Horan	Pickett
Cole, N. Y.	Hull	Ploeser
Colmer	Jackson, Calif.	Plumley
Cooley	Jackson, Wash.	Poage
Cooper	Jenison	Potts
Corbett	Jenkins, Ohio	Poulson
Coudert	Jenkins, Pa.	Preston
Cox	Jennings	Price, Fla.
Cravens	Jensen	Ramey
Crawford	Johnson, Calif.	Rankin
Crow	Johnson, Ill.	Redden
Cunningham	Johnson, Ind.	Reed, Ill.
Curtis	Johnson, Okla.	Reed, N. Y.
Dague	Jones, N. C.	Rees
Davis, Ga.	Jones, Ohio	Reeves
Davis, Tenn.	Jones, Wash.	Rich
Dawson, Utah	Jonkman	Riehlman
Deane	Judd	

Riley	Sikes
Rivers	Simpson, Ill.
Rizley	Simpson, Pa.
Robertson	Smathers
Robison	Smith, Kans.
Rockwell	Smith, Maine
Rogers, Fla.	Smith, Ohio
Rogers, Mass.	Smith, Wis.
Rohrbough	Snyder
Ross	Springer
Russell	Stanley
Sadiak	Stefan
St. George	Stevenson
Sanborn	Stockman
Sarbacher	Stratton
Sasscer	Sundstrom
Schwabe, Okla.	Taber
Scoblick	Talle
Scott, Hardie	Taylor
Scott,	Teague
Hugh D., Jr.	Thomas, N. J.
Scrivner	Thomas, Tex.
Seely-Brown	Tibbott
Shafer	Tollefson
Short	Towe

NAYS—75

Battle	Heffernan	Miller, Calif.
Beckworth	Hobbs	Monroney
Bloom	Huber	Morgan
Buchanan	Jarman	Morris
Byrne, N. Y.	Javits	O'Toole
Carroll	Johnson, Tex.	Peterson
Clark	Jones, Ala.	Pfeiffer
Combs	Karsten, Mo	Powell
Courtney	Kee	Price, Ill.
Crosser	Kelley	Priest
Delaney	Kennedy	Rabin
Dingell	Keogh	Rains
Douglas	Kilday	Rayburn
Eberhart	Kirwan	Rayfield
Feighan	Klein	Richards
Flannagan	Lane	Rooney
Fogarty	Lesinski	Sabath
Forand	Lyle	Sadowski
Gary	Lynch	Sheppard
Gordon	McCormack	Smith, Va.
Gore	Madden	Somers
Gorski	Mahon	Spence
Gossett	Manasco	Stigler
Havener	Marcantonio	Thomason
Hedrick	Morrow	Trimble

NOT VOTING—32

Allen, Ill.	Durham	Kefauver
Bland	Ellsworth	King
Buckley	Folger	Macy
Bulwinkle	Fuller	Mansfield, Tex.
Carson	Gallagher	Meade, Ky.
Celler	Gerlach	Mitchell
Clements	Gifford	Morton
Cotton	Hart	Norton
D'Alesandro	Hartley	Schwabe, Mo.
Dawson, Ill.	Hinshaw	Vinson
Domengeaux	Howell	

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time and was read the third time.

Mr. O'KONSKI. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is there any Member on the minority side who wishes to offer a motion to recommit?

Is the gentleman from Wisconsin opposed to the joint resolution?

Mr. O'KONSKI. In its present form, emphatically yes.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

A motion to recommit offered by Mr. O'KONSKI:

Mr. O'KONSKI moves that the bill, House Joint Resolution 134, be sent back to the Foreign Affairs Committee for further study and until such time as Secretary of State Marshall has had opportunity to reorganize

the State Department to conform with a truly anticommunistic policy and until such time as President Truman has had opportunity to reorganize the executive branch of our Government to conform to a truly anti-communistic policy.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the joint resolution.

Mr. VORYS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 333, nays 66, answered "present" 2, not voting 30, as follows:

[Roll No. 46]

YEAS—333

Albert	Curtis	Holifield
Allen, Calif.	Dague	Holmes
Allen, Ia.	Davis, Ga.	Hope
Almond	Davis, Tenn.	Horan
Andersen,	Dawson, Utah	Huber
H. Carl	Deane	Jackson, Calif.
Anderson, Calif.	Delaney	Jackson, Wash.
Andresen,	Devitt	Jarman
August H.	D'Ewart	Javits
Andrews, Ala.	Dingell	Jenison
Andrews, N. Y.	Dirksen	Jenkins, Ohio
Angell	Dolliver	Jenkins, Pa.
Arends	Dondero	Jennings
Arnold	Donohue	Jensen
Auchincloss	Doughton	Johnson, Calif.
Bakewell	Douglas	Johnson, Okla.
Barden	Drewry	Johnson, Tex.
Barrett	Eaton	Jones, Ala.
Bates, Ky.	Eberhart	Jones, N. C.
Bates, Mass.	Elliott	Jones, Wash.
Battle	Elsasser	Jonkman
Beall	Elston	Judd
Beckworth	Engel, Mich.	Karsten, Mo.
Bell	Engle, Calif.	Kean
Bender	Evins	Kearney
Blackney	Fallon	Keating
Blatnik	Feighan	Kee
Bloom	Fellows	Keefe
Boggs, Del.	Fenton	Kelley
Boggs, La.	Fernandez	Kennedy
Bolton	Fisher	Keogh
Bonner	Flannagan	Kerr
Boykin	Fletcher	Kersten, Wis.
Bradley, Calif.	Fogarty	Kilburn
Bramblett	Footo	Kilday
Brehm	Forand	Kirwan
Brooks	Fulton	Klein
Brophy	Gamble	Kunkel
Brown, Ga.	Gary	Lane
Brown, Ohio	Gearhart	Lanham
Bryson	Gillie	Latham
Buchanan	Goff	Lea
Buck	Goodwin	LeCompte
Buckley	Gordon	LeFevre
Burke	Gore	Lesinski
Busbey	Gorski	Lewis
Butler	Gossett	Lodge
Byrne, N. Y.	Granger	Love
Byrnes, Wis.	Grant, Ala.	Lusk
Camp	Grant, Ind.	Lyle
Canfield	Gregory	Lynch
Cannon	Griffiths	McConnell
Carroll	Gross	McCormack
Case, N. J.	Gwynne, Iowa	McDonough
Case, S. Dak.	Hagen	McDowell
Chadwick	Hale	McGarvey
Chapman	Hall,	McMillan, S. C.
Chelf	Edwin Arthur	McMillen, Ill.
Chenoweth	Hall,	MacKinnon
Chiperfield	Leonard W.	Madden
Church	Halleck	Mahon
Clark	Hardy	Manasco
Clason	Harless, Ariz.	Mansfield,
Coffin	Harris	Mont.
Cole, Kans.	Havener	Marcantonio
Cole, Mo.	Hays	Martin, Iowa
Cole, N. Y.	Hébert	Mathews
Cooley	Hedrick	Meade, Md.
Cooper	Heffernan	Morrow
Corbett	Hendricks	Meyer
Coudert	Herter	Michener
Cox	Heselton	Miller, Calif.
Crosser	Hess	Miller, Conn.
Crow	Hill	Miller, Md.
Cunningham	Hinshaw	Miller, Nebr.
	Hobbs	Mills
	Hoeven	



Monroney	Ramey	Smith, Va.
Morgan	Rayburn	Smith, Wis.
Morris	Rayfield	Snyder
Morrison	Redden	Somers
Muhlenberg	Reed, Ill.	Spence
Mundt	Rees	Stefan
Murdoch	Richards	Stevenson
Murray, Tenn.	Riehlman	Stigler
Murray, Wis.	Riley	Stratton
Nixon	Rivers	Sundstrom
Nodar	Rizley	Taber
Norblad	Robertson	Talle
O'Brien	Robison	Taylor
O'Hara	Rockwell	Thomas, N. J.
O'Toole	Rogers, Fla.	Thomason
Owens	Rogers, Mass.	Tibbott
Pace	Rohrbough	Tollefson
Patman	Rooney	Towe
Patterson	Ross	Trimble
Peden	Russell	Twyman
Peterson	Sabath	Vail
Pfeifer	Sadlak	Van Zandt
Phillips	Sadowski	Vorys
Phillips, Calif.	St. George	Wadsworth
Ploeser	Sanborn	Walter
Plumley	Sasser	Welch
Poage	Scoblick	Welch
Potts	Scott, Hardie	West
Poulson	Scott	Whittington
Powell	Hugh D. Jr.	Wigglesworth
Preston	Seely-Brown	Wilson, Ind.
Price, Fla.	Sheppard	Wilson, Tex.
Price, Ill.	Sikes	Wolcott
Priest	Simpson, Pa.	Wolverton
Rabin	Smathers	Worley
Rains	Smith, Maine	Zimmerman

## NAYS—66

Abernethy	Hoffman	Rich
Banta	Hull	Sarbacher
Bennett, Mich.	Johnson, Ill.	Schwabe, Okla.
Bennett, Mo.	Johnson, Ind.	Sclivner
Bishop	Jones, Ohio	Shaffer
Bradley, Mich.	Kearns	Short
Buffett	Knutson	Simpson, Ill.
Burleson	Larcade	Smith, Kans.
Clevenger	Lemke	Smith, Ohio
Clippinger	Lucas	Springer
Colmer	McGregor	Stanley
Cravens	McMahon	Stockman
Crawford	Maloney	Teague
Dorn	Mason	Thomas, Tex.
Ellis	Norrell	Vurell
Gathings	O'Konski	Wheeler
Gavin	Passman	Whitten
Gillette	Phillips, Tenn.	Williams
Graham	Pickett	Winstead
Hand	Rankin	Wood
Harness, Ind.	Reed, N. Y.	Woodruff
Harrison	Reeves	Youngblood

ANSWERED "PRESENT"—2  
Landis Schwabe, Mo.

## NOT VOTING—30

Allen, Ill.	Durham	Howell
Bland	Ellsworth	Kefauver
Bulwinkle	Folger	King
Carson	Fuller	Macy
Celler	Gallagher	Mansfield, Tex.
Clements	Gerlach	Meade, Ky.
Cotton	Gifford	Mitchell
D'Alesandro	Gwinn, N. Y.	Morton
Dawson, Ill.	Hart	Norton
Domengeaux	Hartley	Vinson

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Howell for, with Mr. Schwabe of Missouri against.

Mr. Cotton for, with Mr. Landis against.

Additional general pairs:

Mr. Allen of Illinois with Mr. D'Alesandro.  
Mr. Carson with Mrs. Norton.  
Mr. Hartley with Mr. Folger.  
Mr. Gifford with Mr. King.  
Mr. Macy with Mr. Hart.  
Mr. Mitchell with Mr. Domengeaux.  
Mr. Ellsworth with Mr. Kefauver.  
Mr. Fuller with Mr. Vinson.  
Mr. Gallagher with Mr. Durham.  
Mr. Meade of Kentucky with Mr. Bulwinkle.

Mr. LANDIS. Mr. Speaker, I have a live pair with the gentleman from New Hampshire, Mr. COTTON. If he were

present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE TO EXTEND REMARKS

Mr. JUDD. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on House Joint Resolution 153.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

## EXTENSION OF REMARKS

Mr. COUDERT asked and was given permission to extend his remarks in the RECORD and include a statement by Mr. Dulles.

Mr. PHILLIPS of California asked and was given permission to extend his remarks in the RECORD and include several quotations.

Mr. SEELY-BROWN asked and was given permission to extend his remarks in the RECORD.

## EXTENSION OF REMARKS AT THIS POINT

Mr. BENNETT of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BENNETT of Missouri. Mr. Speaker, I voted against this measure to provide \$200,000,000 in further relief to foreign countries. I did so with reluctance because I know something of their need. I have, over the years, tried to be liberal with the less fortunate peoples of other lands. I have voted for much of some \$15,000,000,000 in assistance we have extended them or are being asked to extend. But, there are conditions under which I must, to satisfy my feeling of obligation to America, draw the line.

The pending measure is a blank check written in the dark. It would give the President authority through a commission he appoints, to spend this money where he desires and the State Department has already told us that if it has its way it plans to spend a lot of it in Poland, Hungary, and other Russian-dominated countries. The administration asks us to help these Communist states and in the next breath to vote money for Greece and Turkey to stop communism. These Russian-dominated states are paying reparations to Russia. Any assistance from us puts us in a position of helping to pay those reparations. It is an inconsistent and foolish policy. This money will be used as our other assistance has been used, to entrench the Communists who distribute it abroad and to punish helpless and needy peoples who do not bow down to these Communists to whom we give authority to distribute the relief.

It is admitted by the State Department that no other nation is helping us to assume the burden of feeding the

world. It is admitted that the sum now requested is an estimate, "picked out of the air." The tax money necessary to total this vast amount cannot be picked out of the air. It will have to be picked out of the pockets of my constituents in high taxes and high prices. Yes, high prices. As long as our Government is buying vast quantities of food and clothing to give to people who ought to go to work to supply their own instead of waiting for more checks from Uncle Sam, just that long will scarcities be continued in this country and the unreasonably high prices which go with scarcity. I hear a lot said by the politicians about business and labor being to blame for high prices. The greatest guilt for high prices belongs to the Government. In 1940, before the war, we had \$7,848,000,000 of currency in circulation. Today we have \$28,303,507,000 in circulation or about four times as much as six short years ago. Is it any wonder that prices have gone up or that money has become cheaper and will buy less? This money is printed to cover unnecessary Government expenditures.

Some effort has been made here to satisfy objections to this bill by amendment. These efforts fall far short of protection of this country's best interests and simply continue the policy of pauperizing other countries and spreading a spendthrift New Deal around the world. I am against it. I want to see taxes reduced, the budget balanced, the national debt reduced, and the American dollar again worth one hundred cents in purchasing power. There will always be a United States of America if we do not give it away. This measure and others like it will undo our hard work which is putting us back on the road to Federal sanity and solvency.

## COMMITTEE ON PUBLIC LANDS

Mr. WELCH. Mr. Speaker, I ask unanimous consent that the Committee on Public Lands may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

## EXTENSION OF REMARKS

Mr. CLASON asked and was given permission to extend his remarks in the RECORD and include a magazine article.

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD and include an address by Admiral Bellinger.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD and to include newspaper articles.

Mr. GATHINGS asked and was given permission to extend his remarks in the RECORD and include a speech by Hon. B. A. Lynch, of Blytheville, Ark.

Mr. BELL asked and was given permission to extend his remarks in the RECORD and include an article by Diosdado M. Yap, editor and publisher of Bataan.

Mr. REDDEN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include an article from a magazine entitled "Here in Ohio."

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and to include extraneous matter.

#### HOUSING AND RENT CONTROL

Mr. WADSWORTH. Mr. Speaker, I call up House Resolution 200 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill H. R. 3203, relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

The SPEAKER. The gentleman from New York [Mr. WADSWORTH] is recognized for 1 hour.

Mr. WADSWORTH. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

At this time I yield myself such time as I may require.

Mr. Speaker, without going into detail or speaking at any length, let me say this is what is known as an ordinary open rule. It provides for 4 hours' debate. At the conclusion of the debate, all amendments will be considered under the well-known 5-minute rule. Points of order are waived. The Committee on Rules, which has reported this rule to the House, believes that this measure, known as the rent-control bill, is of sufficient importance to entitle it to prompt consideration by the House; hence, the presentation of this rule.

Mr. Speaker, I have but few requests for time on this side. I reserve the remainder of my time, and I yield now to the gentleman from Illinois.

#### RULE FOR HOUSING AND RENT CONTROL BILL SHOULD BE ADOPTED

Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain letters that I sent to the Attorney General.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, the rule has been briefly and intelligently explained by the gentleman from New

York [Mr. WADSWORTH], so I shall not restate what has been said by him.

The bill which this rule makes in order is to some extent in the right direction. It extends rent control to December 31, 1947, and then gives the President, if he sees fit and there is need, the power to extend it further until March 31, 1948.

Although I believe this bill falls woefully short of the legislation we should enact, as I shall explain as briefly as possible with so important a subject, it should be passed. I urge that the rule be adopted to make consideration in order, and I bespeak support for the bill.

#### THERE IS NOT ENOUGH HOUSING

I presume that Members of the House are laboring under the impression that with the passage of this bill free enterprise will miraculously bring forth acres of homes in which our returned soldiers and their families, not to mention a large proportion of the civilian population, can hang their hats and proceed to prosper and increase. They have heard the siren song of the spokesman of big business—the smooth-talking, self-assured legislative representatives of the real estate men, the producers of builders' materials, the lumber manufacturers, the apartment-house owners, the bankers, the contractors. They have heard these high-salaried, high-pressure lobbyists with their easy promises of houses, houses, houses—if we will just turn loose free enterprise and take off all the brakes.

Well, we have heard those promises before.

We heard them all through the war.

We heard them in full chorus and loud cry immediately after the war.

We took off all controls on materials—for a little while.

Then we had to put them back, or try to. Putting Humpty-Dumpty together again was too much of a job, so we did a little patchwork. Then finally we took them all off again, except rent control. These are just the funeral services for that orderly reconversion so much talked of. Even the rent control has a strange and sickly pallor—its time is short.

But we still have not enough housing.

We have the highest prices in history.

#### NOT THE FAULT OF CONGRESS

This failure to supply decent homes for decent Americans at decent cost is not due to any failure of the Congress or of Wilson Wyatt, the energetic and idealistic Expediter of Housing. Government did not fail the homeless veteran.

The failure lies directly at the door of selfish businesses who could see only profits, unlimited, in the need of the people; of the lobbies, the contractors, the operators, whose greed blinded them to the public interest. I am not talking about all real-estate men, or all contractors, for there were many who not only supported but helped administer the Government's program. It did not take many willing to pay black market prices for material and for labor to wreck the program, when accompanied by a furious barrage of propaganda.

I really do not blame many of the real-estate operators and contractors for failing to build. Materials and labor had

become so scarce, and prices had shot so far above any reasonable level, that they could not sell at a reasonable price. Some of those who built anyway, and skimped on quality, and jacked up the price to cover illegal bonus payments, are now stuck with third-rate houses they cannot sell. In the larger cities houses constructed in conformity with NHA specifications and local building codes would cost \$10,000. Very few ex-servicemen are in a position to pay \$10,000 for any house, even if the quality is there, and certainly not for a house worth, by normal standards, only \$5,000 to \$6,000.

#### BUSINESS LOBBIES TO BLAME

I repeat that the charges made by some Members to my left that Government is at fault for the lack of housing are unjustified and without foundation. The Government's housing program was a fair and equitable one which should have been welcomed by a truly free private, competitive enterprise system. The powerful lobbies, grown greater than their members, sabotaged that program.

Almost 2 years ago I first wrote to the Attorney General pointing out that there was much evidence of black-market operations in the lumber-manufacturing industry. As you know, prosecutive actions were begun in many parts of the country.

Just a few months ago I again wrote to him calling his attention to violent and uniform increases in some essential construction items in critically short supply which indicated collusive action in violation of the antitrust statutes. I here insert that letter which was dated February 18, 1947:

MY DEAR MR. ATTORNEY GENERAL: For years the building of homes for ex-servicemen and homeless Americans has been delayed principally because builders could not obtain absolutely essential materials for construction. It is my belief and the belief of many in the building trades that the virtual monopoly of some manufacturers and manufacturers' associations in scarce items contributed sharply to these acute shortages.

#### 1. GYPSUM BOARD AND ROCK LATH

At the present time, under the stimulation of the incentive payments provided under the veterans' emergency housing program, production of gypsum products, both of sheathing and rock lath, for plaster base has reached the highest point in history. At the same time, however, prices have risen four, five, and six times above the prewar price of \$50 to \$60 a thousand. The fact remains, however, that the United States Gypsum Co., the Johns-Manville Co., and one or two other large firms constitute a virtually complete monopoly of this essential product through their control of raw materials and processing facilities.

#### 2. HARDWOOD FLOORING

Because of the monopolistic restrictions of hardwood manufacturers, the present market is thoroughly disorganized and annual production in 1946 was relatively lower than in any other field.

A normal prewar price was from \$70 to \$75 a thousand board feet; while the present price ranges from \$150 to \$250 a thousand at the mill. Retailers and builders are caught in a tight squeeze. They cannot afford to destroy their future business by passing these exorbitant charges on to their customers and they are forced to handle their



retail sales on unprofitable marked-up margins.

### 3. IRON PIPE

The storage of iron pipe likewise has been under rigid control by manufacturers. It is probably true that, more than in any of the other fields, abnormal wartime consumption of all iron products contributed to the acute shortage of pipe for construction use. Nevertheless, the uniform agreements as to price and quotas point clearly toward collusive action.

It is significant that, while wartime controls remained effective, all of these items appeared in the black market at exorbitant prices. Since the removal of controls, prices have sky rocketed under the frantic bidding of construction contractors pressed for cash and forced to pay exorbitant prices for materials, which of course has the immediate result of pushing the new houses completely out of reach of veterans and low-income groups, which it was the intention of Congress and the Housing Expediter to help.

I feel that if you start an immediate investigation, or at least give notice of your intention to investigate these outrageous restraints, the result will be that these scare materials will begin to flow into the market at reasonable prices and in a more orderly manner and that the housing program will advance rapidly.

Sincerely yours,

A. J. SABATH.

Again on March 24, Mr. Speaker, I wrote to the Attorney General to point out that the average selling price for hardwood flooring in March 1947 was practically double that of March 1942. I here insert that letter and his reply:

MARCH 24, 1947.

Hon. TOM C. CLARK,  
The Attorney General,  
Department of Justice,  
Washington, D. C.

DEAR MR. ATTORNEY GENERAL: I do not wish to harass you or embarrass you with too many communications. At the same time, knowing your interest in the enforcement of the antitrust acts, I feel that I should pass on to you any suggestions or information that seem pertinent.

On several occasions during the past year I have raised the issue of the extraordinary increases in some of the elements of residential construction; particularly in regard to common lumber and hardwood flooring and cast-iron pipe. I am forwarding to you a letter I have just received from the Forest Products Division of the Office of Temporary Controls showing almost unbelievable increases in the average selling price of hardwood flooring over the past 5 years.

Note that the average selling price in March 1947 is double that of March 1942 and that there is a reported spread between mill prices of \$153 MBF for oak flooring and retail prices of \$315 in Chicago. It seems to me that this could be achieved only by collusive monopolistic action.

With kindest regards, I am,

Sincerely yours,

A. J. SABATH.

MARCH 27, 1947.

Hon. A. J. SABATH,  
House of Representatives,  
Washington, D. C.

MY DEAR MR. CONGRESSMAN: This will acknowledge your letter of March 24, enclosing one addressed to you by Mathias W. Niewenhaus, Director of Forest Products Division of the Civilian Production Administration, containing information concerning the increase in the selling price of common lumber and hardwood flooring.

I greatly appreciate your consistent interest in these matters and assure you that

they will be given careful attention here on the basis of the information which you furnish.

With kind regards,

Sincerely,

TOM C. CLARK,  
Attorney General.

### PRIORITY PREFERENCE SYSTEM SHOULD BE RETAINED

Mr. Speaker, from the very beginning of the national emergency, when it became evident that we could not produce everything we needed to fight and win an all-out war and still carry on our peacetime life, I have supported the system of rationing, under whatever name it happened to be called. When it came to doling out our precious industrial materials and facilities, we set up a complicated preferential priority system which channeled all materials and available labor first into the war effort and then tried to divide what was left over among essential nonwar industries.

It worked.

We won the most terrible war of all history. We were, in truth and in fact, the arsenal of democracy.

When we started to turn back to peacetime, it made sense to me that we should make our reconversion orderly and fair by continuing that system of priorities, especially in housing.

I felt that construction of homes—real homes, at prices which the ordinary American citizen could pay, either on a sale or rental basis—was our number one objective. It was a peacetime war against the enemy of need.

It is true that withholding of materials from the legal market and all kinds of propaganda, bonus payments, and other dodges, some legal and some illegal, largely nullified the priority provisions of the Veterans Emergency Housing Program; but the fact remains that a record number of homes was started in 1946 under the stimulus of preferential priority controls and incentive payments.

Such a system would be helpful now, even though materials are beginning to appear on the market, and I regret that it is not provided for in this bill. I venture the hope that an amendment will be successfully offered.

### STEEL PIPE WITHDRAWN FROM CHICAGO AREA

We have in Chicago right now a concrete example of what I mean, Mr. Speaker, and I desire to take this opportunity of drawing the attention of the Congress and of the whole country to a situation in which the steel industry, or at least a major segment of it, has abrogated its promises to the Government and to the construction industry by withdrawing steel pipe—ordinary steel pipe 2 inches and less in diameter, such as is used in water leads into buildings—from the entire Chicago area, and is rapidly bringing the home-construction program there to a standstill.

In August 1945, when it appeared that Japan would capitulate, the steel industry advisory committee brought pressure on the War Production Board to end the controlled materials plan in the final quarter of 1945. The industry representatives undertook, on their part, to assure the continuation of the distribution of steel-mill products based on an

historical pattern which has long been the industry's means of distributing steel when demand exceeds supply.

The Government agreed.

Then this is what happened: Steel pipe is a low-profit item, and prices in the Chicago area are based on the price at the Chicago area mills rather than on Pittsburgh. There is no Pittsburgh-plus velvet on shipments into Chicago. Now many mills manufacturing this type of steel pipe have withdrawn entirely from the Chicago market. They have abandoned customers of many years standing, who have no place to turn to get pipe for their own customers.

Here is a partial list of steel-pipe manufacturers reported to have pulled out of the Chicago market entirely; though I am no friend of big business, it is to the credit of the National Tube & Steel Co. that they continue to ship from their Lorain, Ohio, plant, to their own customers.

Spang Chalfant Co., Bethlehem Steel Co., LaCled Steel Co., Pittsburgh Tube Co., Wheatland Tube Co., Mercer Tube Co., Jones & Laughlin Steel Co., in at least one instance.

Though it is claimed that the Interstate Commerce Commission has no jurisdiction, and that only moral suasion—a weak weapon against greed—can be brought to bear, I claim that they have the power to remedy the situation in Chicago and on the Pacific coast, where, if anything, the situation is worse. Certainly the steel companies themselves can do this even though it might infinitesimally reduce their tremendous profits of 1945 and 1946, as shown by the financial reports.

### SAME SITUATION IN OIL

What applies to steel applies to the current freeze-out of small independent distributors of fuel oil in Chicago. The situation is more or less parallel, though there is not the same close relationship to home construction. I do not wish to encumber the RECORD, and therefore refrain with regret from including at this point a letter just received from the Mid-City Oil Co. of Chicago describing the unauthorized but effective rationing system imposed by the major oil company suppliers on the small companies, which already has resulted in their substantial loss of accounts.

### RENT CONTROL EXTENDED

This bill aims to relieve the situation I have touched upon, at least to some extent, and it also extends rent control for a limited period.

There are some gentlemen who argue that rent control should be entirely eliminated.

May I say to you that we have had no rent control on commercial buildings—on offices, stores, factories, or manufacturing plants.

I take it that you all know what happened.

In many instances commercial rents have been ruthlessly boosted from 100 percent to 400 percent. Every one of you knows of some instance in which some man with a little store where he was paying \$50 a month suddenly had his rent jacked up to \$200 or \$300 a

month just as soon as the landlord found out he was making a little profit on his business—naturally under a Democratic administration; I have to put that in.

You could go on and multiply those instances many times—office rents, factory rents, storage rents—all boosted to all the traffic would bear.

The same thing would have happened to tenants in apartment buildings and dwellings had it not been that Congress wisely and prudently provided for rent control and insisted on its enforcement.

#### HARDSHIP CASES PROVIDED FOR

I realize that there are some cases of genuine hardship, especially where a small landlord had rented to steady tenants at depression prices; but we provided for relief where actual hardship could be shown, and I am confident, on the basis of my own experience with the rent control program that relief was actually granted when the facts justified it.

Those provisions are continued in the present bill, and I am satisfied will be administered justly and equitably in view of increased operating costs of all kinds. I have always thought that from 10-percent to 15-percent increases were fair.

The provision in the bill that would permit a 15-percent increase in rents on all premises that have not been occupied for 2 years or more cannot, I am sure, apply in very many instances, although spokesmen for the real estate industry boasted of thousands of rental units taken off the market by owners when they became vacant. This provision is just a bribe to such owners to return the units to rental. It is my opinion that any owner who has refused to rent his premises because he was not able to increase his rents is not a person to deserve any consideration.

#### OPERATORS OF DEFAULTED PROPERTIES HAVE NOT BEEN HURT

The class of real-estate operator who receives no sympathy at all from me is made up of those who now own large tenement or apartment buildings taken from the original owners during the Republican panic of 1929, 1930, 1932, and 1933 through bankruptcy or foreclosure proceedings at a small fraction of their real value, and operated at very satisfactory rents with full tenancy and low turn-over.

Those buildings were taken over by banks and original houses of issue, or by their agents and representatives who became the so-called bondholders protective committees, or the trustees and receivers, and who, manipulating as such, acquired title to the buildings to their own great advantage and profit and to the bitter loss of the original bondholders, who had bought these so-called gold bonds in good faith and, in many other cases, lost their life's savings.

Through clever and unscrupulous manipulations among the protective committees, the trustees and receivers, and sometimes the courts, the banks, and their friends, obtained ownership of thousands of the finest and largest apartment buildings in the United States at 10, 12, and 15 cents on the dollar.

Consequently, the present owners of such apartment houses are obtaining

more than a fair return on their investments.

Yet these are the very ones, in conjunction with real-estate operators and builders, who during the past 5 years have conducted a relentless and vicious propaganda campaign against the Government policy of encouraging the building of decent homes for ex-servicemen at reasonable rentals or reasonable prices and who have sought unceasingly to bring about the end of all rent controls.

I know that the committee which studied and reported this bill will explain its provisions more fully. I feel obliged to yield time to the five members who signed a dissenting minority report and who wish to explain their objections to the adoption of the rule and the bill. While I have the utmost sympathy with these colleagues, and this bill is not what we want, legislation is always a compromise. This is a compromise. We seldom can obtain all we seek, ask, or expect. I presume the committee has, in its wisdom, done the best it could, and I favor the rule and the bill.

Mr. SADOWSKI. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield, but I do not want to take too much time.

Mr. SADOWSKI. The real solution of this problem of rentals and housing is that of constructing more houses. We will all agree to that.

Mr. SABATH. The gentleman is correct.

Mr. SADOWSKI. Has the gentleman heard that there has been a curtailment of construction loans? That is, that the banks now have embarked upon a policy of refusing construction money to builders? That means where a builder may have 20 or 30 houses under construction and goes to the bank to get money to finance the period the house is under construction, he gets a construction loan. If this construction money is denied to builders, that means they have to use their own funds to finance. The builder has got to dig down into his own pocket or into his own bank account to finance his own building program, which automatically means that instead of building 20 or 30 houses he will probably be compelled to embark upon a program of 5 houses. It will cut down this construction program, it will hurt the builder very deeply, it will hurt our rental program, it will hurt our housing program. I was in Detroit 2 or 3 weeks ago and it was brought to my attention by the builders in Detroit that this is happening. They said it is already in full effect in Indianapolis and other cities and that the bankers in Detroit are now embarking on that program in my city. If they do that, they will also go to Chicago, they will follow this throughout the country. This is one time I think all of us have to come out and say: "You cannot do this, you must not do this, you must not do anything that will hamper our housing construction program."

Mr. SABATH. I may say to the gentleman that I have heard of these complaints, too, and I know they are true. Many of the banks control large apartment buildings. They are trying to dis-

courage construction as much as possible in order to be able to gouge the people as long as they can. But let me say that the bill provides a 90-percent loan to the builders of homes and I believe that is a good provision. It is restricted and I hope the loans will not be made to speculators who will build a house costing six or seven thousand dollars and then ask a loan of eight or nine thousand dollars. The provisions were so drafted that the Government, in my opinion, is protected in every way, but, as the gentleman says, the bankers have refused to make loans.

Mr. Speaker, I reserve the balance of my time.

Mr. WADSWORTH. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Speaker, I asked for time on this rule because it is important that the membership of the House get a better understanding of this problem, its ramifications, and difficulties than we did in committee. We had a lot of testimony, about 600 pages, but much of it was opinions and we lacked the factual information necessary to guide us to a sound decision.

Before the House extends rent control it should obtain credible testimony to indicate that this legislation will reverse the economic forces which are operating to intensify the shortage of rental houses.

That is one discovery we made in the committee. We learned that the shortage of residential rental property is becoming worse and not better 2 years after the war is over. We should get in this debate some evidence that the situation will be less acute next March than it is today; otherwise we do not achieve the purpose aimed at in extending rent control.

In this respect I urge that you do not take and are not asked to take, as we were in committee, the "I think" and "I hope" that we got time and again from the Rent Administrator and other officials. We would ask these officials for the facts on this situation and they would say: "I do not know, I think"; "I do not know, I hope."

I believe we should have some credible evidence that the shortage in rental housing is actually being alleviated by rent control. We did not find such evidence in the committee. We found on the contrary, that probably 2,000,000 rental units have gone off the market since VJ-day, and only a small number of private rental units have come on the market since VJ-day.

The House should find the answer to the question of how many private rental units have been built in the last year and what private rental construction is going on now.

I read yesterday that the Department of Commerce says that because of buyers' resistance and high cost, home construction is at a standstill. They now report that 1947 construction will be two billion to two billion three hundred million less than predicted in December. We are considering action on legislation that is going to determine the rental housing situation of this country, and



rental housing is what most veterans of this country desire.

We have had a lot of talk about rental housing for veterans, but the OPA and Patman Housing Act have given special privilege, a vested interest to the people who stayed at home and occupied housing facilities. We should find some way of alleviating that discrimination, and this bill should do it, or we should not pass it.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Speaker, it is with deep regret that I announce the death of a former Member of the House of Representatives, the Honorable Richard M. Atkinson, who served here in the Seventy-fifth Congress, and who died suddenly in Nashville yesterday. He served well the Sixth Tennessee District, which I now have the honor to represent.

Prior to his service in the House of Representatives Mr. Atkinson had a distinguished record as a district attorney in the tenth judicial district of Tennessee. He was a veteran of the First World War and served with distinction in the Marine Corps, seeing action with the Second Division in France. He was a graduate of Vanderbilt University and of Cumberland University Law School. As a Member of the House he served on the Committees on the Civil Service, Claims, and World War Veterans' Legislation.

I am sure that the Members who served with him in the Seventy-fifth Congress recall his genial disposition, his loyalty to high ideals, and his enthusiasm for the work of his committee and of the Congress, and I am sure also that all who remember him join me in expressing deep regret to his wife and to the members of his family.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. I gladly yield to the dean of our delegation.

Mr. COOPER. Mr. Speaker, I desire to join with my distinguished colleague from Tennessee in paying brief but very sincere tribute to the Honorable Richard M. Atkinson, a warm friend of mine for many years, and with whom I had the privilege of serving during his period of service here. He was a man of recognized ability, great character, and demonstrated devotion to public service, and we join in extending our sympathy to his bereaved widow.

Mr. COURTNEY. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Tennessee.

Mr. COURTNEY. Mr. Speaker, it was with a sense of profound shock and with deep sorrow that I learned of the sudden passing of the Honorable Richard M. Atkinson, a former Member of the House. I did not have the privilege of serving with him here as he left this body a few months before I came in 1939 to fill out an unexpired term. I knew him intimately, however, for more than 30 years. First, as a friend of early manhood, next as a comrade in arms, and then as an able and outstanding lawyer in our section of Tennessee.

As a member of the bar, he was a powerful and aggressive advocate, but with high ideals about his profession and ever mindful of its ethics. For two terms, he served his people as district attorney general. His record in this high place was outstanding. He recognized that the office of a prosecuting attorney is a quasi-judicial position, and he always gave one charged with an offense the benefit of any reasonable doubt. But, once convinced of the guilt of a defendant, so skillful was his conduct of a case, and so convincing his argument, that few of the guilty in his court escaped the just penalty of the law, and the convictions that he obtained were rarely disturbed by the appellate courts.

He was a man of high moral character and a Christian gentleman, who cheerfully accepted and faithfully discharged all the obligations and responsibilities imposed upon him in all the walks and phases of his life.

The bench and bar of Tennessee mourn his loss today, for they will sorely miss his presence, his charm, and his personal magnetism.

I extend to the members of his family my deep sympathy in this their hour of sorrow and travail as they walk through the valley of the shadow. They, with his friends, however, can take comfort with the thought that:

Somehow tonight, among the hills of heaven,  
He walks with all his stars around him;  
And we who lost him here on earth  
Grow happy knowing God has found him.

Mr. JARMAN. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Alabama.

Mr. JARMAN. I learned with deep regret a moment ago from the gentleman from Tennessee [Mr. PRIEST] of the great bereavement the people of Tennessee have suffered in the loss of Dick Atkinson. It was my privilege to enter Congress with him. I am very confident that not only every Member of this body who entered that year, but every Member whose privilege it was to serve with him and observe those fine characteristics which have just been referred to by the gentleman from Tennessee heartily shares your expressions of regret and wishes to join me in expressing through you to the members of his family our great sorrow and bereavement.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, the sorrows that are visited upon former or present Members of the House through the act of God are the sorrows of all of us, and the pleasures and honors conferred upon any Member of the House are also honors conferred upon the House itself. When a Member of the House receives an outstanding honor or an honor of any kind, all Members rejoice in the knowledge that a distinctive recognition has been given to a Member of this distinguished body.

I am glad to announce to my colleagues today that our colleague the gentleman from New Jersey [Mrs. NORTON] is receiving in Norwood, Mass., outside

of Boston, a great honor, the highest honor that can be paid during any one year in the United States to any lady who is a communicant of the Catholic Church.

Today in Norwood, Mass., at a pontifical mass celebrated by my archbishop, the great spiritual leader and great American, Archbishop Cushing of Boston, MARY NORTON will have conferred upon her the Siena medal for 1947. This is a medal conferred upon the Catholic lady in the United States who is selected by a very distinguished group as making the most distinctive contribution to Catholic life in the United States during a particular year. For the year of 1947 the one who has been selected is our distinguished colleague.

The group that makes the selection is composed of Archbishop Lucy of San Antonio, Bishop Barcock of Detroit, Monsignor Carroll of Washington, of the National Catholic Welfare Conference, the president of the National Council of Catholic Women, and the chairman of the board of trustees and the president of Theta Phi Alpha Sorority.

This award has been made since 1937 to an outstanding Catholic woman, and has already been conferred upon several such ladies, for example, Anne O'Hare McCormick, outstanding author and journalist; Mother M. Katherine Drexel, foundress of Sisters of the Blessed Sacrament for Indians and Colored People; Frances Parkinson Keyes, the outstanding author; Jane Hoey, the notable and outstanding social worker; Agnes Repplier, an outstanding author; and Agnes Regan, executive secretary of the National Council of Catholic Women.

I know that all the Members of the House without regard to party are pleased to hear of this honor, and on this day when it is being conferred upon MARY NORTON at a pontifical mass celebrating the six hundredth anniversary of St. Catherine of Siena, at the St. Catherine of Siena Church in Norwood, Mass., we all rejoice with her, and the Members of this body accept the honor conferred upon her as indirectly an honor conferred upon the House and upon each and every one of us.

#### SPECIAL ORDER GRANTED

Mr. WADSWORTH. Mr. Speaker, I yield to the gentlewoman from Massachusetts [Mrs. ROGERS] to make a unanimous-consent request.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

#### HOUSING AND RENT CONTROL

Mr. SABATH. Mr. Speaker, I yield 8 minutes to the gentleman from New York [Mr. O'TOOLE].

Mr. O'TOOLE. Mr. Speaker, when the Committee on Banking and Currency last week voted out the bill now under consideration, much of the newspaper space concerning that action was

devoted to the fact that the committee had rejected a proposal to increase rents across the Nation by 10 percent.

Indeed, one newspaper account referred to the committee action as "providing for the maintenance of rent ceilings in virtually their present form."

The average citizen, who reads his newspaper casually, probably was reassured that he had nothing to worry about so far as his rent was concerned, at least until December 31. Let me quote some of the newspaper headlines which helped to create the same impression.

One of them said: "House unit bans increases in rents."

Another one reported: "'47 rent boost killed."

And still another reassured the tenant this way: "House body blocks general rent rise."

Mr. Speaker, I trust that none of my colleagues were misled by these headlines. It is true that a general rent increase of 10 percent was rejected. Nevertheless, the bill we are considering today is not one that provides for a continuation of effective rent control. It falls woefully short of this desired goal at a time when the housing shortage in the Nation is the tightest it ever has been. If we vote for this bill in its present form we are failing utterly in our duty to protect tenants from a very real inflationary threat.

In the limited time allotted to me, Mr. Speaker, I want to make one point crystal clear. This bill contains such dangerous and weakening features that it can be questioned whether it is in fact a rent control bill. It might be described more accurately as a bill to legalize weakening of rent controls. Let me list briefly some of the objectionable features.

This bill provides for a hidden rent increase of 15 percent that will be felt by hundreds of thousands of American families. I shall discuss this feature later.

It calls for the ending of rent control, either on next December 31, or at the latest, by March 31, 1948. By no stretch of the imagination will the housing shortage be relieved by either of those dates.

The bill ends protection for so-called permanent tenants living in hotels and motor courts—those who rent by the week or month. Many of these are aged persons living on fixed incomes who cannot afford homes of their own. Already they have been badly hit by sharp rises in prices since last fall. Certainly we would not knowingly deny them the protection of rent control.

Another provision exempts certain types of new housing and other newly converted rental units from controls. This sets up a group of housing units free from ceilings in the same areas in which older units remain subject to maximum rentals. Some landlords would be subject to rent controls. Others in the same area would not. Veterans, the chief group now seeking new places to live, would be forced to pay the higher rentals for these decontrolled units. Instead of giving veterans all of the protection they deserve from their Government, they are being told that the sky

is the limit for some of the homes and apartments they want to rent.

Weakening of some phases of eviction controls which are needed during a period of such acute housing shortage and limitations placed upon some of the Government's powers to enforce rent controls are other unfavorable aspects of this bill.

Mr. Speaker, all of these weakening features are dangerous to the stability of rents. They are all the more dangerous because none of them in themselves can be singled out as being likely to result in an across-the-board increase in rents. Those members of the majority who seemed so willing to allow rents to go up 10 percent before the Easter recess have cooled in their ardor since going home and talking with their constituents. As one of the newspapers put it, they have become aware of the "disastrous political consequence of a general rent increase."

So, instead of providing for an overall rent boost, rent controls are about to be weakened through subterfuge, if the bill as reported out from committee is enacted.

The most damaging phase of this bill is the proviso contained in section 204 (b). This section provides that if at any time before next March 31 a tenant and a landlord enter into a written lease which is to expire on or after December 31, 1948, the rent may be increased up to 15 percent over the present maximum rent. This increase can take effect almost immediately, the only restriction being that a "true and duly executed copy" must first be filed with the rent administrator. The bill speaks of this increase as being—and I quote—"that which is mutually agreed between the tenant and landlord." "Mutually agreed," mind you.

Let us look into the circumstances under which such a mutual agreement is likely to be reached. Rent controls may end as early as next December 31 and no later than the following March 31. This short extension of rent control plays into the hands of the landlord. He comes to the tenant and says: "Rent controls are going to end next December 31. You know and I know that rents will shoot sky high after the ceilings come off. Don't you think it would be well for you to sign this lease. It gives you the privilege of continuing to live here for another year beyond December 31. And it protects you because the increase is only 15 percent. I'm sure it would be to your advantage to sign this reasonable lease." This is a rather mild version of what this conversation might be.

Of course, a lot of tenants will mutually agree with the landlord that they had better sign up. Tenants may not be subject to coercion, but when they look ahead to that relatively early date of decontrol, it is logical to expect that many of them will fear that they will be faced with a far greater increase, or, even worse, eviction. So they will sign on the dotted line.

Others may refuse to mutually agree to the increase. But even in these cases, the proviso still can have other unfavorable effects. As houses or apartments become vacant, because the tenant moves

to another city, or another apartment, the landlord is given an even more powerful weapon against the prospective new tenant. He can refuse to rent unless the new tenant will sign a lease providing for the 15-percent increase. If we vote for this proviso today, gentlemen, we are voting for a 15-percent increase for all rental space which may become vacant from now on.

Still another provision of this section 204 (b) provides that once such a lease has been signed, the rental unit shall not be subject to any maximum rent. This simply means that if a tenant, who has signed a 15-percent-increase lease, moves out of the rental quarters, the landlord no longer is limited to a 15-percent increase on that particular property. He can charge whatever the traffic will bear.

No, Mr. Speaker; we are not confronted with a proposal for a general increase in rents. The bill we are considering today is far more subtle than that. Our citizens are being told that they are being afforded the protection of rent controls for another six to nine months. They are not being told that we are, in effect, providing landlords a shotgun which they can use to bring about a "mutual agreement" with the tenant to increase his rent 15 percent.

Mr. Speaker, if this House wants to allow a 15-percent increase in rents, it should do so in a straightforward manner. Or if certain landlords, because of inequities, are entitled to rent increases, they are adequately provided for in other parts of this section of the bill. These cases should be decided on their merits and not on the fears of tenants. The Congress should not legislate so as to allow 15-percent increases for a certain segment of landlords while others, who are more conscientious or more considerate of the welfare of their tenants, are maintaining stable rents. It is difficult to conceive a more inconsistent method of determining who shall be entitled to rent increases.

Mr. Speaker, I believe most of us can agree that an emergency still exists as far as the supply of rental housing is concerned. We are now witnessing a period during which inflationary forces have made themselves seriously felt on the general level of prices. The last Congress was impatient to rid the Nation of price controls. Business and industry gave assurance that if these controls were lifted, prices might rise for a while but the situation would soon right itself. We have seen how wrong those assertions can be. During this period of rapidly rising prices, rents have been held consistently steady. Now we have been subjected to extreme pressure to remove controls from residential rents. As I have stated, the housing shortage is now the tightest that it has ever been. This is no time to weaken the controls which have stood the test of time. The machinery exists within these controls to make adjustments where they are needed and to remove controls in those areas of the country where they are no longer required. Under these circumstances, effective rent control can best be secured by extension of the present system for a



period of 1 year after the present expiration date of June 30, 1947.

The SPEAKER. The time of the gentleman from New York [Mr. O'TOOLE] has expired.

Mr. WADSWORTH. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Speaker, I wish to call to the attention of the House the fact that the members of the Committee on Banking and Currency were by no means unanimous in agreeing to the provisions contained in this bill. There are several minority reports, including one of my own.

Mr. WADSWORTH. Mr. Speaker, apparently there are no more requests for time on the rule.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3203) relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3203) dealing with housing and rent controls, with Mr. JENKINS of Ohio in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the time for general debate, 4 hours, is divided equally between the chairman of the committee, the gentleman from Michigan [Mr. WOLCOTT], and the ranking minority member of the committee, the gentleman from Kentucky [Mr. SPENCE].

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 10 minutes.

Mr. WOLCOTT. Mr. Chairman, a great deal of consideration has been given to this bill both in the committee and in private and public conferences. I think the purpose of the bill is quite generally understood. Primarily it is to encourage production of rental units to lick the housing shortage, and it is to be hoped that, because of the readjustments which must be made if the bill is enacted, the encouragement which is given to the construction of new units, it will be possible within a reasonably short time to take off all rent controls. Because the question of construction and the question of rents are so closely affiliated we seek to solve both of these problems in the same bill in two titles. Title I of the bill has to do with decontrols, with building itself. You will recall that last year we enacted what is known as the Veterans' Emergency Housing Act which set up an Expediter. That office was first occupied by Mr. Wyatt and now by Mr. Creedon. The Expediter was given very new and unusual powers to

build homes primarily for our returning veterans and their immediate families.

The Expediter was given more power than had been given to any other single individual in Government except possibly the President of the United States in wartime. He could dictate to other agencies of the Government, to all other agencies of the Government having to do with the allocation of building materials, the price of those building materials, the cost of a finished home or apartment house and the rental to be charged for the home or apartment house. He could divert materials from any other use, industrial, commercial or otherwise, to the construction of homes and apartments. He could recommend to the Reconstruction Finance Corporation that they guarantee markets and they were bound to follow his recommendation that markets be guaranteed for new, and unusual perhaps, types of construction. He could recommend, but not direct, the RFC that up to \$400,000,000 be used in payment of subsidies to encourage production. He could prevent the use of any building material in any commercial or noncommercial enterprise. He had control over every nail, over every foot of pipe, over roofing material, over every inch of lumber, every brick, every square inch of steel in the United States.

We set a goal of about 1,700,000 homes last year. In 1941 under what might be called free enterprise construction, where there were no Government controls over allocation of materials, private enterprise, without any help from the Government, without any restrictions, without any subsidies, without any guaranteed markets, without the influences against freedom of enterprise, without the pressures which were apparent last year for home construction, there were finished about 715,000 units. Last year with all these powers, which were given to the administrator to divert materials to home construction, to the prejudice of commercial commerce, to the prejudice of our economy generally if he saw fit to do so, under strict Government control we completed about 661,900 units or a matter of 53,000 units less than were completed without pressure but without restraint in 1941 by the building industry.

If anything has been proven from our experience in this field, it is the fallacy of trying to manage our economy by a bureau in Washington.

So, in the judgment of the committee these controls are removed. Many of them were removed last November by Executive order of the President. Some of them still remain, but the power to exercise these controls continues, unless we act on this bill, until December 31, 1947.

In title I we abolish the Office of Expediter. We abolish any authority which he had to allocate materials and to set maximum prices, both on the materials and the finished home. We remove any authority which he had to set rents on homes and apartments. We abolish the authority to make new premium payments of any amount by RFC or any other agency, and we abolish the authority which was given to the RFC through the Expediter in guaran-

teeing a market for these new, unusual types of prefabricated homes. To replace that we set up in this bill an authority for the FHA, under title VI, to guarantee the construction of prefabricated houses up to 90 percent of their value, and the machinery for that is set up similar to that which now operates to insure the finished building under title VI, which you will recall is the title under which FHA insures finished properties up to 90 percent of their value. We merely extend that insurance to the manufacturer of the house before it is on the site. This bill, of course, would remove any price limitation on the finished building. It would remove the limitation on floor space which is now 1,500 feet. It would remove the limitation on the number of bathrooms which might be built on the premises, which was due to shortage of materials. Of course, the net effect of providing for only one bathroom was that they would build the framework for the additional facilities but the contractor who built the house could not put in the second bathroom or half a bathroom under the initial contract. This resulted only in some inconvenience to the property owner because he could go to Sears, Roebuck or Montgomery Ward and buy the bathroom equipment and install it himself or hire the same contractor who built the house to do it.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself five additional minutes.

That was an ineffective regulation, as were many of the others. The bill removes all of the limitations on construction excepting on facilities for amusement and recreational purposes. We provide that a permit might have to be obtained from whoever administers this law if the head of the department administering the law certifies there is a shortage of materials. Of course, it continues veterans' priorities. It reduces the time, however, in which the veteran must exercise his priority from 60 to 30 days, which was recommended by almost all the veterans' organizations which appeared before the committee.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. Do I correctly understand the gentleman to mean that all restrictions on the building of new homes will be removed by this legislation?

Mr. WOLCOTT. They would be removed if this bill is enacted.

Mr. HARNESS of Indiana. So that any individual who has the money and could buy the materials could go ahead and build his house without having to make application for a permit to do so?

Mr. WOLCOTT. That is right.

Title II has to do with rent control. Rent control, you recall, was set up under OPA and would expire on June 30 of this year. This bill provides for the removal of rent control on units completed after the effective date of this act and on residential units which are made available for rental by reconversion and remodeling. It also removes rent control

from properties which have not been rented to others except members of the immediate family between the dates of February 1, 1945, and February 1, 1947.

It can readily be seen that the result of these provisions will be to impel adjustments in the occupancy and availability of rental properties to the extent that thousands and perhaps hundreds of thousands of existing properties will be made available for rental which are not available at the present time. This is one of the important parts of the bill. First, we encourage the production of rental properties and then we encourage people who are now living in properties to rent.

The bill provides that we continue maximum rents on existing units until December 31, 1947, with the exception that if the landlord and the tenant in good faith voluntarily enter into a valid written lease any time between the effective date of the act, which is the first of the month following enactment, and March 31, 1948, and providing the lease runs until at least December 31, 1948, then by mutual agreement the rent may be increased not to exceed 15 percent. The consideration for the lease, in other words, might be 15 percent over the existing maximum rental. It must be purely voluntary, however, and if the tenant does not desire to enter into a lease increasing his rent 15 percent or any part of 15 percent he is privileged, of course, to continue to live in his apartment or home or the unit which he occupies still under control at the ceiling that was on the property on the effective date of the act.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself five additional minutes.

The bill also provides that on December 15 the President must make a determination as to whether or not it is necessary to continue rent controls beyond December 31, 1947. If the President decides that it is not necessary to continue controls beyond December 31, 1947, rent controls shall be discontinued on all properties as of December 31, 1947. But if the President finds that it is necessary to continue rent controls, he must make an affirmative finding and give his reason for doing so, and that determination and the reasons therefor must be filed with the Congress. Then rent controls under the proclamation of the President may be continued until March 31, 1948. That will give the Congress an opportunity to consider the matter after it convenes next January.

Those of you who think you want to cut off these rent controls on December 31, 1947, had better give some sober thought to the fact that perhaps we will have a cold winter next year, and perhaps the Congress will not be in session on December 31. As far as I am concerned, I do not want to take the responsibility for wholesale evictions which might result in the dead of winter due to failure on the part of somebody to act with reasonable intelligence to meet any exigencies that might appear, any emergencies that might be created, while the Congress is not in a posi-

tion to act. So in our wisdom we have given the President the responsibility, if he finds that rent controls should be continued beyond December 31, 1947, to continue them, but in no event shall such controls be continued by him beyond March 31, 1948. When we come back here next year we will then decide what we want to do about them.

It is to be hoped that the executive branch of the Government will enforce the laws passed by Congress in accordance with the declared policy of the Congress and that rent controls will be taken off just as quickly as possible. That is to be hoped, and I am one of those who hope. We cannot make any guaranty. We cannot bind a future Congress. We have our responsibilities, and the administration has its responsibilities. Under this form of government, the legislative branch of the Government cannot administer the laws. The executive branch has the responsibility for administering and for providing for the enforcement of laws, and we hope they will enforce them in accordance with the declared policy and intent of the Congress, and that rent controls will be taken off just as quickly as they possibly can.

We provide in the bill that adjustments shall be made in maximum rents to correct inequities. We do not fool around with it. We do not say that "the Administrator may make adjustments" to correct inequities. We say he "shall make adjustments to correct inequities." And if the inequities and the hardship cases had been relieved as many of them should have been relieved years ago we would not have all the trouble we have at the present time with respect to rent controls.

If this bill is properly administered we will get enough rental units so that we can safely take these controls off next December 31. We encourage the building industry to provide adequate rental units. I have been assured by many builders that the building industry will probably make the same mistake in the next 8 or 9 months that they frequently make in big cities, that is, overbuild in many cases. In those areas where because of production or the availability of rental units there is no longer any need for rent control, the Administrator may decontrol any single unit or any area or units in the United States.

Some question that, but I would like you to read that provision of the bill. It is very clear to me that the Administrator may decontrol single units or areas. He may do it on a Nation-wide basis or he may decontrol at any time he sees fit on an area-wide basis or on the basis of single units.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BREHM. If I understood the gentleman correctly, he stated that the FHA had been instructed to insure loans up to 90 percent on prefabricated homes. Is that correct?

Mr. WOLCOTT. Yes. That is substantially correct.

Mr. BREHM. Yes; that is, the FHA had been authorized to insure loans up to 90 percent on prefabricated homes only.

Is that correct? In other words, what is the limit on the loans or can a loan be made up to 90 percent on homes constructed from other than prefabricated materials?

Mr. WOLCOTT. Yes; that is in the general law. This is merely a specific authority for the FHA to insure loans on the house before it is put on the site.

Mr. BREHM. I am thinking of prefabricated houses.

Mr. WOLCOTT. I am thinking of prefabricated houses also. Loans on prefabricated houses are eligible for FHA insurance on the manufacturer's level, and before the house is actually assembled on the site.

Mr. BREHM. Could that not work a hardship on the established dealers who have been in business for years and years past? On page 4 of subsection 2 the bill reads, "Such houses to be manufactured shall meet such requirements of sound quality, durability, livability, and safety as may be prescribed by the Administrator." Suppose a prefabricated home did not really comply with the above conditions but the Administrator favored prefabricated material, he could approve the loan even though the material used was cardboard.

Mr. WOLCOTT. He would have to comply with the standards set up in section 4.

Mr. BREHM. Yes; but he is his own boss and could be his own judge. I just do not want this to work a hardship on the old-line dealer in favor of some "quickie" producer which some governmental agency might want to set up in business to further some socialistic scheme.

Mr. WOLCOTT. I think they would probably be protected.

You will notice that in subsection (b) on page 3 there are four standards which must be set up. I think they are pretty well protected in that respect.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. ELSTON. Since this bill removes all rent control on newly constructed buildings, I would like to ask the gentleman what, if any, veterans' preferences remain with respect to rentals on those newly constructed buildings.

Mr. WOLCOTT. Newly constructed rental properties must be held for 30 days for rental to veterans before they can be rented to anyone else. To protect against any finagling with respect to when they were completed, as authorized, the administrator of the act to establish by regulation the date upon which these properties are completed, and the veteran has 30 days after that date to apply for rental. Then, if the properties are not rented to veterans at the end of 30 days, they can be rented to anyone.

Mr. ELSTON. Is there any price limitation?

Mr. WOLCOTT. No. There will be no rental control on units completed after the effective date of the act.

Mr. ELSTON. So that while the veteran has a right to exercise priority within that 30-day period, there is no limit



on the amount of rent that may be charged by the property owner?

Mr. WOLCOTT. To the owner or anybody else. But the veteran now living in a controlled unit does not have to move out of that unit, and he can continue to live under rent control.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SCRIVNER. By what test will the Administrator be bound to determine whether or not there are inequities in any of these rentals which he shall remedy?

Mr. WOLCOTT. Well, the question was put to me yesterday. If an Administrator decontrolled property on one side of the street and left another property on the other side of the street under control, I would think that constituted an inequity.

Mr. SCRIVNER. But how about those many cases where owners have applied to the OPA for relief under hardship, and have been denied? What rule, if there is any, shall this new Administrator apply to determine whether or not an inequity exists, and an increase is to be granted?

Mr. WOLCOTT. Common sense. We found it very difficult to write language to cover it.

Mr. SCRIVNER. Common sense has been too much lacking in the past.

Mr. WOLCOTT. I quite agree with the gentleman. We studied for weeks to determine how we could compel the exercise of common sense in the administration of the law, and we failed. If anybody can find that language, I am sure the committee will be very glad to accept it.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BUSBEY. I would like to ascertain from the gentleman if, under this bill, the President thought, in his judgment, there should be a 10-percent increase across the board in rents, could he so order that?

Mr. WOLCOTT. He has authority under this bill, as he has had authority ever since rent control was set up, to increase rents in any manner, by the unit, by the area, or to remove them throughout the Nation altogether. We do not interfere with that authority at all. If whoever is in charge of the rentals can get the President to consent to a 10-percent increase, then there is nothing in the law to prevent a 10-percent increase being made by Executive order or regulation.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

#### NEED FOR EFFECTIVE RENT CONTROL

Mr. BUCHANAN. Mr. Chairman, I represent one of the great industrial sections of our Nation. In western Pennsylvania and in other great steelmaking centers, a wage pattern seems to have been worked out that is acceptable both to management and to labor. It is to be hoped that as a result of this pattern another costly work stoppage can be

avoided. None of us wants a repetition of the race between wages and prices that followed—a race in which the wage earner was always the sure loser. All of us are hopeful, I am sure, that the dangerous period of rising prices is coming to an end and that a reasonable stability will follow.

The observations I have just made are very pertinent to the rent control legislation we now have under consideration. At this point in our transition to a peacetime economy, it is doubly important that we avoid any action which would disturb the general level of rents. The stability of rents is very significant in its relationship to the stability of prices and wages. Rent is the largest single item paid out at one time from the average family budget. So long as rents hold steady and the worker has a sense of security that he is not going to be evicted from the place where he lives, he is likely to be satisfied with the wage adjustment pattern that seems to be developing. But if the worker's belief that his budget is just about back in balance once more is jolted by a rise in rents, or if he is forced to look for another and more expensive place to live because he has been evicted, then we are risking the consequences of another period of friction between management and labor.

#### PERIOD OF EXTENSION OF RENT CONTROL

I am, therefore, particularly disturbed by the provision in the rent-control bill we are now considering which permits a landlord to negotiate with a tenant for an increase in rent up to 15 percent if a lease is signed before next March 31 to expire on or after December 31, 1948.

The workingman, who may be regarded as the average tenant, is in no position to bargain successfully with his landlord. To bargain on even terms, it is first necessary that there be a relatively normal supply of rental housing. In the abnormally tight situation now existing, all of the bargaining advantage rests with the landlord. That is why the protection of rent control is so necessary until the supply of homes for rent has increased, especially in the great overcrowded industrial areas where it is still so difficult for workers to find places to live at reasonable prices.

#### CONSEQUENCE OF PROVISIONS AUTHORIZING 15-PERCENT RENT INCREASES UNDER CERTAIN LEASES

The landlord has all of the advantages under the proposed changes contained in the bill under consideration. First, the very fact that rent controls are scheduled to expire at the earliest on December 31, and no later than next March 31 plays into the hands of the landlords. The wage earner who rents his home is confronted with the possibility that these protecting ceilings may stop by the end of the year. Fear starts to work on him, if his rent is going to soar—and I really mean soar. Not a 10- or 15-percent boost, but a rise of as much as 50 percent, may occur as after World War I. This is what will happen—it is typical.

At this point the landlord comes to him. He suggests to the worker that maybe the tenant would like a little protection. Of course he would. So the

landlord offers to let him sign a lease that will be good to December 31, 1948. That sounds great. But there is a catch to it. There is a little matter of a 15-percent increase in rent. Well, the tenant does not like that so much. How soon would the 15-percent increase go into effect, he asks? Would it be on December 31 if rent controls end then, or would it be March 31, 1948, if the President decides that rents are needed that much longer?

No, the landlord replies, the 15 percent increase would take place on the tenant's next regular rent day. What kind of protection is that, I ask you? Has this Congress looked into the question of whether this landlord is entitled to a rent increase? Maybe he is. Well, there is a way for him to get it if he has been subject to an inequity. Maybe he is not. But the test we are setting up is not whether he is entitled to an increase. The test is simply whether he is a strong enough bargainer to force the increase on his tenant.

Now let us look further into the provisions of section 204 (b). Let us assume that the landlord has gotten the tenant to agree to and sign the lease for a 15-percent increase. The worker then loses his job; he decides to move, say, from McKeesport, Pa., to Akron, Ohio, where he has been told job prospects are better. The landlord now has a vacant home for rent. Is he limited to renting it to a new tenant for an increase of only 15 percent over his previous ceiling? Absolutely no. The very fact that the lease has been signed frees him forever from all the restrictions of rent control. Once his house becomes vacant, he can rent it for whatever the traffic will bear. The tenant, by signing the lease, also loses any protection against eviction that may be afforded him under the rent-control laws. That is the kind of provisions that we are considering today.

There is still another angle we cannot ignore. Suppose the tenant has resisted all pressure from the landlord to sign the new lease authorizing the 15-percent increase. The tenant then moves to Illinois. The house becomes vacant. Does the landlord rent to the first desirable tenant who is willing to take the house at the old ceiling price? Of course not. He holds it off the market until a prospective tenant comes along who wants the house badly enough, or who has money enough, to be willing to sign the 15-percent increase lease.

#### EXEMPTIONS—DISCRIMINATORY FEATURES

We are considering legislation here today which is discriminatory in character. It opens the door for landlords who wish to use strong-arm methods. It discriminates against the workers who have nothing but fear on their side when it comes to negotiating for a place to live after December 31.

There are other discriminatory features in this bill. I can dwell upon them only briefly. We are discriminating between landlords owning new housing which is completed after this bill becomes law and which has not been built with the aid of allocations or priorities on the one hand and landlords with older housing, on the other. Side by side in the same

community will be houses which are subject to rent controls and others which are not. This proviso exempting from rent control also applies to units being converted from existing residential use into additional housing accommodations, or to housing which has not been rented during the year ending January 31, 1947. This section of the bill also is a practical form of discrimination against our veterans. They are the ones chiefly who are seeking new places to live at this time because older housing is now thoroughly occupied. If this Government wants to protect its veterans from soaring rents, certainly this is not the way to do it.

The bill also discriminates against elderly people who cannot afford a home of their own, but who are living on fixed incomes in permanent hotel rooms or in motor courts. Permanent quarters in these types of accommodations are to be freed from rent ceilings.

#### LEGAL PROTECTION RESTRAINTS SHIFTED

The proposed bill is not an extension of the existing Price Control Act with such modifications as the proponent of the bill deems necessary. It is a completely new bill.

It supersedes the Price Control Act completely. It leaves out, for example, all of the provisions of section 4 of the existing Price Control Act, which sets forth what is unlawful for landlords to do. It leaves out all of section 201, which deals with the administration of rent control, as it now exists; section 202, which gives the administrative agency the investigative power, the power to require reports from landlords, and the power to require landlords to maintain records; it leaves out the provisions of section 205 of the existing law which gives enforcement powers to the existing agency. That is where we get the power of injunction and that is where the Department of Justice gets its right to bring prosecution against landlords guilty of flagrant and willful violations of the law. Then, it leaves out all of the provisions of sections 203 and 204 of the act, which deal with the present provisions of the law relating to the manner in which landlords may challenge the validity of existing regulations. Even if a tenant, under the proposed bill, does sue a landlord in any court, it would leave to any State, Federal, or local court throughout the United States the right to declare rent controls in that area invalid or unconstitutional.

It eliminates the whole orderly procedure which we now have, which gives the landlords the right to challenge the validity of existing regulations and orders in an orderly fashion.

Let us take a typical case here of what would happen insofar as enforcement is concerned between landlord and tenant. The responsibility rests with the tenant so far as bringing suit against the landlord is concerned. Of course, we know that the average worker in a steel area or coal area or heavily populated metropolitan industrial district just does not have the wherewithal to bring the necessary litigation or will be able to supply himself with the facts and the information to build a case and to build a record

in the court. These protective devices are removed, and the responsibility, of course, is placed solely on the tenant to recover against the landlord. Previously, under the other section, the Federal Government acted as a protector for the tenant.

It is not a question of competency of local or State courts. Let me give you an example of what would happen. An ordinary tenant, if he did want to sue his landlord, would obviously bring his suit in a court where it does not cost much to file. For example, in the District of Columbia, he would go to the small claims court where it costs a dollar to file. In a good many areas of the country he would go before an ordinary justice of the peace, and, by filing a small amount of money, an ordinary tenant would claim that he has been charged an illegal rent.

The landlord in that case could come in and say that the regulation is invalid; that the rents fixed in that area are too low; that he should have gotten an adjustment which the administrative agency denied him, and that rent control is unconstitutional, or any other of a lot of defenses that the landlord might assert.

The landlord associations keep statistics which would be available to the landlord, about net operating income and all the rest. In such a suit, when the tenant would be met with those defenses, as a practical matter, he would be stymied—why is he stymied? Because he has no information available. An ordinary tenant does not know whether the rents in that area are fair or not. He has no statistics available to him.

Well, as you know, courts can only act on the basis of the record made before them. Courts have no independent investigating power. Courts, in their ordinary jurisdiction, do not reach independent judgments on these things. Courts act on the basis of records made for them in particular cases by the attorneys or parties on both sides.

I think that if a landlord, for example, came in and introduced some evidence—let us forget for a moment whether that evidence is good or bad—that the rents in that area do not allow him a fair return on his property, what will the tenant do?

In an ordinary dispute, no party to the lawsuit has to be acquainted with difficult economic facts, and problems that are as difficult as we have. We are talking about alternatives, now; whether what is proposed is better or worse than what we now have. We now have an orderly procedure by a court composed of five Federal judges, appointed by the Chief Justice of the United States, which goes to any community where a landlord wants the court to go, hears what the landlord has to say, applies uniform standards to the cases they hear, and comes out with decisions.

#### ENFORCEMENT—EVICTION SAFEGUARDS WEAKENED

Under certain conditions, eviction controls are weakened. Tenants who have had houses sold out from under them,

under the existing law, have had the protection of a reasonable period in which to seek other housing accommodations. The present bill would end this and provide only that evictions under this and other similar circumstances be governed by the local law. In general, this period before eviction varies from a few days to a month.

Under present acute housing conditions, these short periods before eviction fail to give proper time for an evicted tenant to find shelter.

I again speak in behalf of my constituents, many of whom are wage earners, when I oppose another weakening feature of the bill now before us. This would deprive the Government of its existing authority to bring criminal actions against willful violators or treble damage suits against landlords whose tenants failed to bring suits in time. The tenant is still privileged to sue his landlord for overcharges. But many tenants in my district and in the districts of many Representatives will not know how to bring suit nor will they want to bear the cost of litigation. The weakened enforcement provisions also eliminate the exclusive jurisdiction of the Emergency Court of Appeals to review the validity of rent regulations or orders. This opens up the questions of validity in the courts in which tenants may seek to sue their landlords for overcharges. Landlords will discourage suits brought by tenants by pleading invalidity of the rent regulations. The elimination of the Emergency Court of Appeals deprives the country of the services of a court which has gained invaluable experience in and proven itself admirably suited to the task of reviewing rent regulations and orders.

In conclusion, I want to ask every Representative in this great body who comes from an industrial center to ask himself a searching question. Does he conscientiously feel that he is giving the great bulk of his constituents, the wage-earning tenants, an even break if he votes for this discriminatory bill? We have a simple solution to this rent-control problem which will be facing us as long as this serious housing shortage exists. All we have to do is to extend the present rent-control system for another year.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. SMITH.]

Mr. SMITH of Ohio. Mr. Chairman, I do not believe H. R. 3203, a bill to extend rent control, represents the desire of the American people. There is every reason to believe they want rent control abolished, and that they expect this. It should be recalled that it was public sentiment that brought about general decontrol of prices last year, not the President or the Congress. Indeed, as the record will show, the President and the Congress obstinately resisted decontrol and yielded only when they were forced by public indignation. Precisely the same argument was used by those who opposed decontrol of prices in 1946, as is presently advanced against rent control, namely, short supply. We were told that there was a scarcity of goods



and that prices would rise inordinately because of this if decontrol were instituted. There was a shortage of goods, but decontrol of prices proved that this was caused by the controls which had been in effect. Removal of price ceilings quickly resulted in greatly increased supply of goods. It is true that prices of some commodities advanced after the ceilings were abrogated, but, as everyone recalls, they were constantly rising before.

The alleged shortage of housing does not exist. Furthermore, rent and other controls very powerfully hindered the production of housing just as price control of commodities stymied their production.

One can prove or disprove almost anything by statistics, to some people. I shall not resort to statistics to support my case. Suffice it to say that the politicians were wrong in their figures relating to price control in general, and they were wrong in their statistics, their promises, and their predictions in respect of the Patman housing bill which the Congress passed last year. That program not only failed but it harmed the production of housing. Only apologies are now forthcoming for the enactment of the Patman housing bill.

After going into the rent ceiling and housing problem as thoroughly as I could, I became convinced that if ceilings were abolished an enormous number of additional dwelling units would become available for rental use. Mark you, that is the important consideration that confronts this Congress. There is a large number of houses being held out of the rental market because of rent ceilings, and also living space in homes that heretofore have not been rented, but would be for rent if ceilings were removed. There is still another source from which additional living space would be provided for rental purposes if ceilings were removed. I refer to the situation where the number of occupied rooms per family has greatly increased since rent ceilings went on. From these three sources and the additional dwellings that would be constructed if rent and all other controls relating to housing were abolished an ample supply of dwelling units to meet demand would soon be available.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Iowa.

Mr. JENSEN. Right along that line, I think it is well to state at this time that in the year 1925, when every job required a selling job, private industry in this Nation built over 900,000 homes and 900,000 living apartments, in 1 year, with no Government pressure or interference.

Since we have given every other segment of the American people their freedom from Government control, since we have relieved them from as much Government control as possible under the OPA, and since we have even released the prisoners of war, does not the gentleman agree that it does not quite make sense when we at this time, almost 2 years after VJ-day, refuse to give the property owners of America, who are

certainly a very fine segment of our American people, the freedom that we have given the rest of the people, including prisoners of war?

Mr. SMITH of Ohio. We have to be fair. But the matter that I have discussed goes much deeper than that. As I previously stated, rent control should have been eliminated along with price control in general. That would have been fair. It would have been just.

The Congress is not doing justice to the renters themselves by continuing rent control. The majority of renters of this country want controls removed. To say anything other would be to accuse them of being unfair, and you cannot do that. The majority want no special favors. I am sure they expected the Eightieth Congress to remove rent control.

The pending bill provides for continuing rent control until December 31, 1947, but authorizes the President to extend control until March 31, 1948, if he believes that to be necessary. Why should the Eightieth Congress vest in this administration such legislative power? If the incumbent Congress is willing to freely and voluntarily delegate this power to the Executive, what good reason can be given for not further relying upon his judgment as to the need for rent control beyond March 31, 1948?

I did not find in the testimony given before the committee evidence indicating anything other than the forces responsible for the present proposed extension will be back with the same arguments for the continuance of rent control beyond March 1948.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. GAMBLE. Mr. Chairman, I yield five additional minutes to the gentleman.

Mr. SMITH of Ohio. The grave danger in all these extensions of wartime control is that succeeding extensions cause such controls to further entrench themselves and make their removal more difficult.

The bill also provides that landlords and tenants may by voluntary agreement enter into a lease increasing rents not to exceed 15 percent above the OPA ceiling prices, such lease to be effective until December 1948. One can do no more than speculate on the implications of this provision. Certain it is, however, that it sets up a special category of renters and landlords.

An extraordinary provision in the bill provides for Treasury financing of manufacturers of prefabricated houses, and FHA loans on the finished products. This, of course, is tantamount to a Government-guaranteed market for prefabricated houses.

Mr. RAMEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. RAMEY. In regard to loans, is it not a fact that in our own State practically every loan company is willing to make loans to the veterans? Have they not said, "Come in and borrow," and are they not better able to do it and are they not more willing to do it in a great many instances than loans by the Government?

Mr. SMITH of Ohio. Of course, there is no reason for putting the Government further into the housing business.

Mr. RAMEY. And are not the folks who want to build homes for the veterans, veterans themselves of one war or another—just neighbors, who can do it and want to?

Mr. SMITH of Ohio. That is right.

Does the sitting Congress propose to put the Government further in business?

Proponents of this particular provision to have the Government finance the manufacture of prefabricated houses claim it would have the effect of revolutionizing housing. I understand the houses that would be built under this provision would not be of the conventional type. Well, there is nothing particularly wrong about revolutionizing housing construction, so long as it is done in the natural, competitive way; that is, with private money and not with funds wrung from the public, especially an exsanguinated one. Why should this particular Congress lend itself to promoting a scheme like this? What constitutional or moral right does the Congress have to destroy industries engaged in the construction of conventional type houses?

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. MUNDT. I was wondering if any sentiment was developed in the committee during the hearings for an extension of the rent control bill, which would empower the States and individual communities to set up local rent control boards to handle the problems locally.

Mr. SMITH of Ohio. No; and I am opposed to that sort of proposition. I want to see this Congress exercise its responsibility and not pass the buck on to the States. The States have enough troubles of their own. We created this problem and we ought to solve it.

Mr. MUNDT. Does the gentleman feel that the Federal Government can better regulate rents than the municipalities or States?

Mr. SMITH of Ohio. I would not want to enter into a discussion of that. If the States themselves decide they want to institute rent control, that is their affair. I do not think it is within our province even to discuss that question.

The bill further provides for the removal of ceiling prices on new homes and also on residences which have not been occupied between February 1, 1945, and January 31, 1947. Price ceilings are to remain on old homes. Surely this is rank discrimination. It is class legislation. The claim which some make that it is only temporary in no wise mitigates the unfairness involved in this arrangement.

The bill provides for the creation of an emergency and predicates the need for the extension of rent control on such arbitrarily constituted emergency. It has been explained that this has been done to make the act constitutional.

Mr. GAMBLE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. SMITH of Ohio. George Washington in his Farewell Address warned future generations to beware of schemes

to destroy the Constitution by usurpation. Surely here is an instance where we might well heed his advice. I am of the opinion that if the mentality of Congress has become so distorted as to cause it to yield to the tactic of overriding the Constitution by the simple device of declaring an emergency, then we have about reached the end of all constitutional government.

There are few good provisions in the bill. Title I would remove practically all remaining controls over materials going into the construction of houses. But these provisions should have been presented to Congress by themselves and not made a part of the other provisions of this bill.

Full production of housing cannot be expected until rent and all other controls relating thereto are entirely abolished. So long as there remains any shadow of such controls hanging over the heads of manufacturers and suppliers of home building materials there will be hesitation and doubt in their minds as to what the future may have in store for them.

Mr. Chairman, let us do the fair and just thing today, not what may be politically expedient.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma (Mr. MONRONEY).

Mr. MONRONEY. Mr. Chairman, we are discussing here today a very important bill, not only to the veterans of this country, but also to the millions of people who must have a roof over their heads and must rent housing in order to have that protection.

This bill is really a double-barreled bill. I see no real reason why the two issues should be joined: (a) the repeal of the Veterans' Emergency Housing Act or the virtual repeal of the act joined and coupled with (b) the extension of the Rent Control Act.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. Is it not a fact that this bill is drafted in such fashion that if you vote against the bill you are voting against the extension of rent control, and if you vote for it you are voting to destroy the veterans' housing program?

Mr. MONRONEY. My colleague has expressed it in perfect terms and perfect words. I am afraid that somewhere in the compromise of which this bill is probably the result, that the sugar coating to the well-established real-estate lobby is the promise to get rid of such construction controls as they do not like in exchange for their acquiescence to continued rent control. For that reason I think that if we had divided this bill, the House could have worked its will in a much better measure.

#### CRIPPLES VETERANS' PROGRAM

I wish to address my remarks first to title I of the bill. As I said earlier, the bill virtually repeals every single bit of help that the Federal Government can give to the 15,000,000 veterans of World War II that would help them get housing either for rental or sale.

When you pass this bill you will have not one vestige of authority in any governmental agency empowered to channel any scarce material, no matter how necessary for the completion of the veterans' housing program, into housing construction.

Instead, by title I of this bill you open up the floodgates of all the unnecessary commercial construction that has been held back for the past 10 or 11 months by the veterans' emergency housing law.

There has been a great deal of commercial construction now going on. According to my figures, in the last year we have permitted over \$3,000,000,000 of necessary commercial construction to be done. Commercial construction that is not needed has been held back under Government regulations administered by local communities formed by veterans' and civic and church groups to carefully screen and determine which projects are necessary to put in work and which are not.

#### SIXTY MILLION IN ONE CITY

Let me give you an illustration. I do not have the complete backlog of the country, but to illustrate, in my own home city, Oklahoma City, this restriction against unnecessary commercial construction has resulted in a backlog in that community of over \$60,000,000 worth of deferrable construction.

For the life of me, I cannot see how we will help the veteran who hopes to build a \$4,000, \$5,000, or \$6,000 home or to rent a home of that character by putting this veteran in competition with gigantic commercial construction projects, that type of project, not needed, not necessary, but for which funds are on hand and the builders are anxious to build. So we will have the veteran, hoping to get this little home, placed in competition with public utilities, in competition with department stores, automobile showrooms, summer hotels, and beach houses. In fact, in competition with any kind of development that can be conceived by anyone will be opened up by this bill for immediate construction to hamper the veteran who needs a house.

You may say that that is wrong. That we have put a limitation in the bill. But my, what a very, very wonderful limitation this is. It says that whoever is to administer this act—and we do not know who it will be because that is another thing the Republican Congress is delegating to the President—the choice of who is going to administer the act—that if he finds out there is a scarcity of building materials he may limit the construction of amusement and recreational facilities. Well, I will admit that is a concession. Maybe we will not have all the race tracks or baseball parks built, but I expect we are going to get almost all of the unnecessary construction that is sought in spite of that limitation placed in this act.

#### PROVES DANGER TO PROGRAM

I think the placing of this limitation in the act is a confession on the part of the majority that limitation is needed. I regret they have not gone far enough to give real authority to somebody in the Government to prevent competition

with veterans' housing for these scarce materials used in all this unnecessary construction.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Ohio.

Mr. BREHM. Evidently the gentleman's district is different from the one which I attempt to represent in Ohio. My mail has been coming in criticizing the present administration terribly for permitting honky-tonks, as they call them, dance halls and other buildings of that kind, to be built while no material can be supplied for legitimate construction. Something certainly needs to be done to correct this situation.

Mr. MONRONEY. I am glad the gentleman mentioned that. In his home community there have been boards set up and appointed by the mayor and local authorities to carefully screen the essentiality of all of the construction that is done.

We did have a lot of honky-tonks, juke joints, beer parlors, race tracks and those things built, but they were built as a result of that great mistake that was made—and many Members on the floor of this House helped to contribute to that mistake—when order L-41 was revoked immediately after VJ-day. Premature revocation of that construction limitation order that time opened up the floodgates that took about 6 to 8 months to get closed again. Those projects started then and which were more than 35 percent completed were permitted to continue. Let me remind you that order L-41 was taken out by the same groups who today are asking us again to open up the floodgates and permit all kinds of unneeded commercial construction.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. Is it not a fact that the adoption of this title as now written would actually interfere with the construction of essential commercial building; for instance in the building of veterans housing projects you need extension of utilities services?

Mr. MONRONEY. Of course, and veterans' hospitals.

This tears out any chance to channel scarce material to where it is needed most urgently in this postwar period.

#### GRANTS LIMITED AUTHORITY

I am not asking that we give unlimited authority, I am not asking that we delegate even the broad, sweeping powers that were given in the Emergency Housing Act, but in an amendment which I propose to introduce when we reach that section of the bill, I am going to propose several specific things.

I wish you gentlemen would consider them, because I think they are highly important.

My amendment will allow the Government Administrator to continue allocation and priorities (a) for pig iron, shop-grade lumber for millwork, steel, phenolic molding compounds and resins for electrical wiring devices, and for bottleneck items needed by public-service utilities and producers of housing and housing



materials; (b) for Government-owned surplus, including temporary structures and utilities; and (c) to limit, on not more restrictive terms, nonessential construction and use of housing materials, including the requirement that a dwelling must be suitable for year-round occupancy, not to exceed 1,500 square feet floor area, and have not more than one bathroom; second, to use not more than \$65,000,000 of the \$400,000,000 previously authorized for access roads and premium payments; and, third, to carry out market guaranty contracts heretofore entered into.

Now, those are all the powers we are giving to the Government in this amendment. I wish you could understand how minimum they are. These are the bare essentials found necessary to channel the tough bottleneck items to see that the veterans can get the scarcest building materials to help complete their houses.

#### EXAMPLE OF PIG IRON

Pig iron is a perfect example. You cannot complete a house unless you have cast-iron soil pipe; it is impossible to connect sewers otherwise. Cast-iron soil pipe is the only thing that the builders can use, and you simply cannot get enough of the pig iron necessary to make soil pipe unless the Government can say to the pig-iron industry, "You have got to give a percentage of your production to housing production."

If you want the automobile industry or if you want all of the other industries that are now running at peak production to come in first and take all the scarce items necessary for veterans' housing away, then title I will do it, and your housing will suffer. Housing is a combination of relatively small companies. These small producers are not able to take command in a tight market and get deliveries on that command.

Mr. BANTA. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Missouri.

Mr. BANTA. The gentleman's statement about the scarcity of soil pipe calls my attention to some testimony before the committee, in which some gentleman, having heard Mr. Creedon say that soil pipe was one of the critical materials, went out to get the facts as to the production of soil pipe. Mr. Creedon not having presented anything in his conclusions. On page 386 of the hearings you will find what this gentleman submitted as a result of this study of Government figures.

Mr. MONRONEY. The gentleman did not claim there was a shortage of soil pipe?

Mr. BANTA. Yes; he did.

Mr. MONRONEY. He claimed there was a shortage of soil pipe. Does the gentleman from Missouri claim there is no shortage of soil pipe?

Mr. BANTA. I am only going by the record.

Mr. MONRONEY. The gentleman should correspond a little bit with the builders of this country.

Mr. BANTA. I am only going by the record, and there is nothing in this record, nor was there any testimony by any witness beyond the conclusion that there

is a shortage of soil pipe, except that of the witness whose testimony is found on page 386 of the hearings, and in that statement, may I say to the gentleman from Oklahoma, he said that we were advised by the Civilian Production Administration that the production of cast-iron soil pipe in January was 55,000 tons, which is at the rate of 660,000 tons annually. Then he told us that 1 ton of soil pipe is needed for every 4 houses, and if that is true, if we would build 1,000,000 units this year, we would need 335,000 tons of soil pipe and, he said further, "we estimate that 144,000 additional tons will be needed for other construction, and that at the rate therefore at which soil pipe is now being manufactured today, we would have an excess of soil pipe if we build 1,000,000 this year."

Mr. MONRONEY. I appreciate very much the gentleman's contribution, and believe me it is a contribution, for this increase that has occurred in soil-pipe production has occurred because the Government had the right to allocate the pig iron. Without the allocation of the pig iron, this increase would not have occurred.

You take away the allocation rights and you go right back to the deficiency in soil pipe. You are getting production now on many heretofore scarce materials because you are able to allocate the scarce basic materials.

But if you wipe out that power and put the small cast-iron pipe manufacturers in competition with Ford and General Motors and the great giant industries of this country for a scarce supply of pig iron, you certainly will not get the soil pipe. Give to your Government the minimum controls that are now being exercised and getting the job done and bringing these supplies along, and let us go forward. Why disturb a program that is beginning to work?

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. If I understand my colleague from Oklahoma correctly, one of the prohibitions contained in his amendment is with reference to Government surplus.

Mr. MONRONEY. Yes; for use of Government surplus. Give the Government the right to have first crack at the necessary supplies and machinery and things like that that need to be channeled into housing.

Mr. RIZLEY. I want to call this to the gentleman's attention. He is probably not familiar with it. In the investigation of surplus war assets, one of the troubles we have run into is the fact that the Housing Expediter or FPHA get hold of a lot of this Government surplus property, or maybe they want to use it in veterans' housing, or maybe some veteran wants to buy this property, and they say that once you get it tied up with the Housing Administrator it is just there and nothing is done about it. Last December we were out in California making an investigation of surplus property out there. We ran into some huge cranes out there that were sitting there, stored, with other surplus

assets. We wondered why they had not been sold.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SPENCE. Mr. Chairman, I yield five additional minutes to the gentleman from Oklahoma.

Mr. RIZLEY. We wondered why these cranes were not being used. We were told by one of the administrators of WPA that some people out on the west coast who wanted to engage in the lumber business said that if they could get these cranes they could make available 100,000,000 feet of lumber, but they were tied up.

Mr. MONRONEY. Has the gentleman followed out the cranes? I know nothing about them.

Mr. RIZLEY. They were tied up by Federal Housing. They owned the lot. The cranes were not being used by anyone. As a result of that, we were losing the benefit of that lumber.

Mr. MONRONEY. I would say to the gentleman that undoubtedly you can find scores of cases where there have been mistakes made, but you will also find hundreds of cases where the Housing Authority has been securing this scarce material for use in lumbering and for transportation, bulldozers for opening sites. This equipment has been made available to builders who could not otherwise have gotten the necessary machinery they needed to do this housing job.

I think that for every case of an error you can point out you will probably find 10 or 20 places where this power has been the only relief that they have been able to get as regards scarce machinery or materials to home builders.

I know the gentleman is doing a great job in checking those things. It is to his great credit that he is following all of those details. Every time you can correct a case like that where this material is idle it is a great help. But you have first to freeze it to have the right to channel it if the builders and lumber people, the producers of building materials, are to have access with a decent priority to get this stuff to produce the materials we need for veterans' housing.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The gentleman's amendment relates to premium payments. Under the Patman bill we provide \$400,000,000 for premium payments. The testimony here shows that only \$50,000,000 has been spent on building materials.

Mr. MONRONEY. That is right. This extends it only another \$15,000,000, to carry out the contracts already entered into and the programs under way. If you pass title I of this bill you are going to cut off the premium payments that have been getting increased production of scarce materials. There are many, many other scarce items where premium payments have been the only thing that have gotten out the maximum amount of production.

#### HELPS TO LOWER COSTS

I think this is an amendment that everybody should support with good

grace, knowing that you are carefully delimiting the amount of authority that the Government can exercise.

I would hate to be one who voted against these minimum powers and then face the veterans who see all of this gigantic wave of commercial construction that is unneeded going up, and also see their costs rising higher and higher.

Every issue of the papers that I have read in the past 2 weeks has said the building of houses has come virtually to a standstill. They also went on to say it was because of two things, primarily (a) prices of construction, and, (b) scarcity of materials.

If any Member in the House can tell me how the opening up of untold billions of unnecessary commercial construction competing with the veterans' housing will give him one cent reduction in the price of a house or give him a bigger supply of construction materials, I would like to have an answer to that question.

I know we will be running into the same thing that plagued us through the first 3 or 4 months of the veterans' housing program when this much-needed material went into unnecessary construction that had been started because of the unwise repeal of construction limitation order L-41.

#### VETERAN NEEDS FIRST RIGHT

I would like to bring out another point with reference to title I. The provision in the bill says that we are going to provide that the veteran gets first crack at the completed houses. That, I believe, was the hope of the chairman of committee, but if you read the bill carefully you can easily see that we are not giving the veteran a single bit of protection.

We are, in fact, saying to any contractor that all he must do is wait for the 30 days—just leave the house stand idle and not even offer it to anyone—and then he can sell it to his brother-in-law or his uncle or anybody he wants to. The veteran does not actually have a bit of guaranteed preference on the house.

If you will look on page 8, line 13, of the bill you will see this language:

No housing accommodations consisting of a dwelling designed for a single-family residence, the construction of which is completed after the date of enactment of this title and prior to March 31, 1948, shall be sold or offered for sale, prior to the expiration of 30 days after construction is completed, for occupancy by persons other than such veterans or their families.

That does not give the veteran a dime's worth of protection because the house can set vacant for 30 days and no veteran has any right nor has the Government a right of action against the contractor who completed it. The contractor can let it set for 30 days and then sell it to whomever he pleases, whether the purchaser is a veteran or not.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. KEATING. Does the gentleman interpret that section to mean that the owner can hold it for 30 days and then sell it to someone other than a veteran at a price which a veteran was willing to pay for it?

Mr. MONRONEY. He can sell it at less than what the veteran was willing to pay for it under this section of the bill. I intend to offer an amendment designed to straighten that out, to provide that on publicly announced terms and conditions, the same as apply to anybody else, the veteran will have first chance to get this housing. That will make this section a veterans' priorities section. Goodness knows, there is little enough in this bill for the veteran. We should make him eligible at least to have a genuine first chance at the housing that is completed.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. HOLIFIELD. There is still no provision in the bill as to the margin of profit which the builder shall receive for that house.

Mr. MONRONEY. No.

Mr. HOLIFIELD. In other words, it is completely within the jurisdiction of the builder as to the price at which he shall offer the house.

Mr. MONRONEY. I want to be fair in this matter so I must point out that most of these houses will be completed under title 6 of the FHA, and they are under surveillance in that respect when it comes to insuring the mortgages.

Mr. HOLIFIELD. Then, if the amendment which the gentleman proposes to offer is adopted, it would be an open offering of this house at a stated price and on stated terms to the veteran.

Mr. MONRONEY. It would give the veteran a genuine preference on the house that is completed in the name of the veteran.

Mr. HOLIFIELD. I shall support the gentleman's amendment.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. KEATING. Has the gentleman prepared his amendment? I am sure the Committee would be interested in hearing it.

Mr. MONRONEY. I would like to go on for a moment with title II of this bill, which is the rent-control section. I make no apology to anyone for my supposition of price controls during the years.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. CARROLL. I am so anxious to hear what the gentleman has to say that under the allotment of time I have been granted 10 minutes, and I would be very happy to give that time to the gentleman, because he is covering all the points I have in mind.

Mr. MONRONEY. The gentleman is very familiar with rent control, and so I will only use a couple of minutes.

#### WEAKENED RENT CONTROL

Title II, the rent-control section, definitely weakens rent control. Let no one say we are going to have as good rent control after the passage of this act as we have today. But having been one of those who saw the Seventy-ninth Congress tear up and wreck the price-control bill, this rent section of the bill is in better shape today by far than any of the

price-control bills were at the time they were passed through the Seventy-ninth Congress.

If we can get the bill through with some amendments which will be offered when we start to read the bill, I think you can have a reasonably effective rent control, but with adjustments which are going to cost many, many tenants some more money.

But I think it will also give some much needed consideration that the property owners have not received under price control. Obviously, when everyone else in the economy is freed of controls, it is difficult to square your conscience with maintaining complete rigidity on rent control.

That was the problem of the committee, to try to find a way to provide, without further destroying the purchasing power of the American people who must pay rent, some way to compromise their differences in rates with the landlord.

One of these is the amendment now in the bill by the gentleman from California [Mr. FLETCHER]. It provides that if a tenant and landlord mutually agree to a long-term lease, extending virtually a year after the termination of price control, at a rate of not more than 15 percent above the ceiling price, that such agreed increase can be permitted. There is an amendment that is required to prevent evasion of that which will be offered later, in order to avoid phony leases to free the property from all rent control. An amendment will be presented to cover that situation.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman one additional minute.

Mr. MONRONEY. The amendment that will be presented will be that if a lease is prematurely terminated, the house goes back to its old ceiling. If the landlord can find a tenant who is willing to agree to a 15-percent increase above the old ceiling price, then that 15 percent above the old ceiling price will be retained. But the house will not be removed completely from all rent control.

There are other things that need to be tightened up. I think particularly we do a great injustice to the people who have rented a housing under rent ceilings for all these years, to free new construction from all rent control. Worse than that, to free houses that have not been rented for two years from all rent control. I think probably there is some excuse for freeing the new construction, because of increasing building costs. But why someone who has not rented a house for two years should be released from all rent control is more than I can imagine. Bear in mind this could open up all kinds of evasions for the landlord who has been living in one house, and moves into a tenant house. Then he has a house, his own former home, that is completely free from rent control, for rent.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.



Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Chairman, I favor most provisions in title I of this bill and I am opposed to title II in its present form.

There is no problem before the Eightieth Congress which is more mixed up in politics than the rent-control section of this bill. Rent control is what is known as a political hot potato. That is why it was bounced around so much before it came to the House. But the realities of this problem cannot be evaded.

Here is an item from the Los Angeles Herald with this headline:

JAILED VET TRIES DEATH—HOMELESS WAR HERO  
SAVED

His pretty wife, Nyra, 21, was arrested early yesterday for ignoring a traffic light and was found to have been driving a car she said she had stolen. She said she and their 17-month-old baby had resided in it 6 weeks. Borgess, however, said he had stolen the car. He said they had been unable to find a home after he was discharged from the Navy and that his family had slept in cars, shows, and public parks.

Mrs. Borgess said her husband was a war hero; that at Tulagi he had tossed a hand grenade into a Japanese landing barge to kill more than 200 Jap soldiers.

Here is a war hero who fought in the far-away places. When he comes home, he cannot get a house to live in. He cannot find a place to house his family. Has this situation, and thousands like it, resulted from a shortage in housing or has it resulted from inequitable legislation by the Congress in the OPA and the Patman housing bills? That is the question before Congress now.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. BOGGS of Louisiana. Does the gentleman believe that the repeal of the Patman Act will benefit this poor veteran whose pitiful case he has just called to the attention of Congress?

Mr. BUFFETT. Repealing the Patman Act alone will not do it, but it will help. There is action this Congress can take which will give this young man a chance to get the house he cannot get today.

Mr. BOGGS of Louisiana. Does the gentleman believe this bill will help him get a house?

Mr. BUFFETT. Not in its present form; no.

Mr. Chairman, you will be told in appealing fashion that the reason for this unfair situation is that there is a vast shortage of housing. Let us try to get the facts on housing. In 1940, according to the Bureau of the Census, the United States had 34,855,000 occupied dwellings. In November 1945 we had 37,600,000 residential units, or an increase of 7.9 percent in the number of houses. In the same period, population had increased 6.5 percent.

In other words, there were considerable more residential facilities in this country at the end of 1945 than there were in 1940. What happened to those facilities? Why are they not available

to the people? Because under the rent-control law we have expropriation of property from those who now own it. Through the operation of present rent control, the rental units in this country are disappearing from the market.

We find that 169 additional rent-control areas have been inaugurated since the end of 1945. In early 1946 there was passed a law that was supposed to end the shortage. But since December of 1945, 169 new defense rental areas have been set up. The problem has been accelerated and intensified.

The sound answer to the housing problem obviously is private rental construction. I looked up the record to find out what was done in private rental construction in the twenties, and I found that in 1924, 1925, 1926, and 1927 private industry in this country was supplying about 300,000 rental units a year. Obviously, our construction facilities have increased, perhaps doubled, since the 1920's, and yet last year—I do not know the exact number; I could not find it out—apparently something less than 100,000 private rental units were constructed. There was a great deal of Government construction of trailer-type and substandard housing, but private rental construction could not go ahead last year, and it will not be accelerated under the present bill.

To the contrary, in New York City the department of housing and building reports that since the end of the war demolitions have exceeded new construction of housing units by 3,223. Think of that. Here is New York City with about one-seventh of all the rental housing units of the country, yet New York City demolitions since the end of the war have decreased total residential units by more than 3,000. Is that solving the rental shortage?

You have been told, and you will be told again, that there is provision in this bill for hardship cases. I checked on how that is working in the city of New York. I am informed that last year \$40,000,000 worth of rental property was turned over to the mortgage holders, either by straight-out foreclosure or by conveyal of deed, because the people owning the property could not get enough income from it under rent control to even pay upkeep and interest on their mortgage.

I wish I could sharpen that point for you. Let me say it again, \$40,000,000 worth of residential property in New York City in 1946 was foreclosed because of a rent control law that claims to give the property owner a fair return on his investment. How would you feel about investing your money in rental property in New York City when \$40,000,000 of said property last year was foreclosed? A man who is most familiar with that problem estimates that in 1947 there will be \$150,000,000 worth of rental property foreclosed on in New York unless this Congress gives some relief to owners from rent control injustices.

I made a little experiment the other day which is interesting. I took last Sunday's Star and looked at the real es-

tate listings in the want ads. Under the head of "Apartments for rent" there were a total of 79. Those were apartments where you might get in for 2 months, or you might move in with somebody else if you happen to suit them, and, counting all of these hybrid cases there were 79 apartments for rent. Ten years ago on the same Sunday there were 865 apartments for rent.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. The gentleman does not think that is any criterion, does he, with conditions being as different as they were 10 years ago from today?

Mr. BUFFETT. Ten years ago people were needing rental quarters in Washington just as they are today, certainly.

Mr. ABERNETHY. They were looking for rental property, yes, but does the gentleman really believe that a comparison of Sunday last with 10 years ago is a fair comparison to be applied in the consideration of this bill?

Mr. BUFFETT. I am glad that the gentleman asked the question. Obviously, a comparison with 10 years ago or 5 years ago is not going to be absolutely accurate in every detail, but its usefulness in measuring the consequences of rent control is substantial.

Mr. ABERNETHY. How many people were in Washington 10 years ago?

Mr. BUFFETT. Washington appeared to be crowded for housing 10 years ago. The population had increased from 486,000 in 1930 to 616,000 in 1937 for the District proper, without comparable new construction. Certainly the Federal pay roll was rising in Washington in the late 30's.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Let us see if this does not help the gentleman. Ten years ago we had great unemployment in this country by reason of a depression which was promoted by Mr. Roosevelt saying that prices were too high, that we had to cut prices and reduce profits. We had the most precipitous decline in our economic history, is that correct?

Mr. BUFFETT. Yes.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. GAMBLE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CRAWFORD. Now we have a situation where some ten or fifteen million people have returned from the service, the greatest transformation of human beings in the history of this country. We have along with that same situation some \$225,000,000,000 of excess buying power promoted by the fiscal policy of the Government in financing the war. As the Chairman of the Board of Governors has pointed out, we have a potential inflationary base of \$225,000,000,000, is that correct?

Mr. BUFFETT. That is my understanding.

Mr. CRAWFORD. We have had price controls and price ceilings under which we permit people to spread out over the residential units, which the gentleman has so well pointed out. Those are the economic forces now running. So it is in order for the gentleman to bring out the fact that 10 years ago in Washington there were 865 apartment units available for rent and 79 today. Of course, you have a housing shortage. There is no greater housing shortage now than you had 10 years ago, having in mind similar conditions, and there will be no greater difference 10 years from now if we pyramid the situation by having 10 to 15 million people return from the military service, for instance, with a \$450,000,000 potential inflationary basis.

Mr. BUFFETT. Yes. I thank the gentleman for his contribution. Now let us look at another aspect of this comparison, which will serve to make it more striking. Ten years ago there were 344 houses for sale in Washington. But last Sunday with the so-called housing shortage there were 1,215. There were more than three times as many houses for sale. Now, if the shortage is so great, how is it that 1,215 houses are for sale, or three times as many as 10 years ago?

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. The gentleman would not contend, would he, that the market price of houses is not inflated?

Mr. BUFFETT. The market price of houses reflects the general deterioration that has taken place in our money. It reflects the rising cost of building construction that has taken place as the result of 14 years of inflationary government spending.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Mississippi.

Mr. RANKIN. It is a well-known axiom of economics that prices in a free economy are governed by the volume of the national currency multiplied by the velocity of its circulation. Ten years ago we did not have half of the amount of money in circulation that we have today. In 1930 we had \$4,426,000,000 in circulation. Today we have considerably above \$28,000,000,000. Ten years ago we did not have one-fourth of that amount. That accounts largely for the difference in the prices, and unless there is something done to curb the expansion of the currency, prices are going to continue to rise.

Mr. BUFFETT. The gentleman points out the fantastic inconsistency of this whole business. We have an inflationary situation that has caused all prices to go up, all costs to go up, all wages to go up, and yet the Congress singles out one group of people in this country and says to them "Your investment return has to be kept at an artificially low level, and we are going to keep you there whether you like it or not." Then we wonder in Washington why 2,000,000 rental units have gone off the market in the last 2 years. Two million rental units are off the market. That has

accentuated this situation; that has prevented the veterans from getting homes; that has prevented people from taking jobs when they had a chance to move to a new city and take a new job if they could find rental quarters.

Mr. RANKIN. Mr. Chairman, if the gentleman will yield further, the attempt to hold down the small property owner to the economic level of 10 years ago or 15 years ago has not only almost destroyed him, but it has discouraged many people from building property that could be used now; in other words, the program we have followed is preventing the building of homes and at the same time has ground the little property owner into the dust.

Mr. BUFFETT. The gentleman is absolutely right. Bureau of Labor Statistics show that since 1939 building costs have increased about 68 percent, yet rents have been allowed to increase only about 4 percent.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. GAMBLE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I would like the gentleman to tell the committee what provisions are made in this bill that will be of assistance to the owner whose rents are frozen, say, in March 1942, where the cost of repair, including the cost of labor and materials, has doubled, and many times, in many cases, increased a number of times, so that there can be some relief for those people, all of whose rents go now for repairs.

Mr. BUFFETT. I regret I must report to the gentleman that there is no genuine relief in the bill as it is now constituted. There is a provision that if the tenant agrees to an increased rent, and he and the landlord get together under certain conditions, then there can be an increase in rent of not over 15 percent. It is a voluntary procedure and it would be speculative for me to guess whether or not it will have much effect. It may do well in some cases.

Mr. WHITTINGTON. I am talking about actual relief for people that now own their property, where they have to make repairs. In many cases the rents are being absorbed in making those repairs because of the increased cost.

Mr. BUFFETT. There is no relief in this bill for those owners of property. That is the reason I find it impossible to support this bill as it now stands. Congress certainly has one obligation to the people of this country, and that is to deal fairly with all groups.

Mr. WHITTINGTON. The only way is to vote against this bill and dispense with the continuation of these rent ceilings?

Mr. BUFFETT. It would have that effect.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. CARROLL].

Mr. CARROLL. Mr. Chairman, after returning to civilian life from military service; after talking to veterans and viewing the conditions under which they

were living, I began to realize that America's number one problem was the disgraceful housing shortage. Later I attended meetings where great numbers of veterans were present and all expected action by this Congress to alleviate and remedy the housing situation.

Today the debate begins for the first time in this session of Congress upon legislation that affects the veteran and his housing problem. Notwithstanding the repeated demands of veterans and veterans' organizations, the present bill takes away from the veteran the few remaining safeguards existing under Federal law. Moreover, under title II of this bill, by indirection, the rent control program will be, to a large extent, completely nullified.

On this floor today I have heard the theories and political philosophy of the Members of this body, but the question remains, "What does this Congress intend to do about housing?" To date and after 4 months' deliberation, not a single measure has been passed by this body in connection with the housing program. Almost 2 months ago I called to the attention of this body the urgent and critical need to increase the appropriation to the Lanham Act by \$50,000,000 in order that the veterans' temporary housing program be enabled to continue. Other bills of equal importance have been sent to the Committee on Banking and Currency, but still no action has been taken.

This is the first opportunity we have had to do anything about veterans' housing and what are we called upon to do? We are now called upon to take away from the veteran and his family any remaining safeguard given to him by Federal law under the Patman Act. Title I of this bill does that very thing to the veteran. A majority of the Committee on Banking and Currency have ignored the recommendations of all of the great veterans' groups in this Nation, every single one of whom has testified before the committee in opposition to those matters now contained in title I of this bill. The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, the American Veterans Committee, the American Veterans of World War II, the Catholic War Veterans; all of these groups recognize the importance of continuing the few remaining provisions of the original Patman Act for the protection of the veteran, but their advice has not been heeded.

I have been conferring with the gentleman from Oklahoma [Mr. MONROE] who will present amendments to this bill which will be in keeping with the views of those who seek to preserve the little that is left to the veteran under existing laws. I shall support these amendments and urge upon every Member of Congress that they do likewise.

In addition to the blow that this legislation gives against the veteran in purchasing a home, there is another important aspect of this bill which should merit the consideration of all thinking Members. Under title II of this bill the committee has not had the courage to meet the issue head-on of increasing rents, but has used another device which will do



first, of several things, unquestionably it will increase rents 15 percent; second, it will result in the decontrol of a great number of residential units; and, third, it is designed to destroy any possibility of effective enforcement of control in the field of rent.

The housing situation is so critical in this Nation that even the majority of the Committee on Banking and Currency recognize the necessity of continuing rent control. There has been constant pressure by real-estate groups and others similarly situated urging this Congress to increase rents. The testimony before the committee reveals that other groups, labor, consumers, veterans' organizations, and many, many others have been fighting to offset this pressure to increase rents. In not knowing exactly what to do, the majority of the committee have seized upon this hypocritical device, which as I have pointed out before, will not only increase rents 15 percent, but which will ultimately result in no rent control at all. I repeat, they have seized upon this device in order to avoid the political consequence of a straight across-the-board 15-percent rent increase. Anyone familiar with law enforcement knows that the provisions of this bill will provide so many legal loopholes that it will be administratively impossible to continue to have effective rent control. This is another example of expert emasculation. This is another example of doing indirectly what the committee did not dare to do directly because of political consequences.

There is another point I should like to make. The majority of the members of the Committee on Banking and Currency have ingeniously tied together in this bill issues which should be treated separately. There are many who would vote for one portion of the bill but would not vote for another portion; and there are those of us who want to have continued existing controls, as meager as they are. For my part, I intend to vote for any amendments which will give strength to this weak and watered-down piece of legislation, and in the event these amendments are not accepted, I shall vote to recommit the bill to the committee for further study.

I should like to register my protest against this type of omnibus legislation. Time after time I have been called upon to legislate or vote on vital issues affecting the Nation and almost always have been denied the clear opportunity of voting on separate issues. Again, we are confronted with omnibus legislation that bodes no good for our Nation.

Mr. SUNDSTROM. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. SUNDSTROM. I assume that the gentleman has read section 4, title 1, of this bill. I believe that would do a great deal toward seeing that modern homes are furnished veterans at a price that they can afford. Does not the gentleman agree with that?

Mr. CARROLL. No; I do not agree with that entirely.

Mr. SUNDSTROM. What does that section mean?

Mr. CARROLL. If the gentleman will let me have that particular section, I will be glad to answer him. That is the statement about loans. That is the old statement about loans. I have been talking with economists. They are on both sides of the fence. They say we cannot afford to give 100-percent-insured loans to the people who are going to build homes. So we give 90 percent. What is the effect of it? Today, with a rising market no man is going to invest and take a loss. But I do not have much time and I do not want to get into the question of rent control and I hope the gentleman will discuss this matter on his own time.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. FLETCHER].

Mr. FLETCHER. Mr. Chairman, there will probably be no other bill before this Congress upon which so many Members of Congress will feel they are qualified experts. This point of view is not without some justification because the relationship between tenant and landlord is a common everyday one and familiar to all of us. It is for this reason that the only satisfactory and permanent solution of the rent control problem lies in mutual agreements, voluntarily made, between tenants and landlords.

I feel a personal responsibility for a provision to this bill which I offered as an amendment in committee in section 204 (b) and I wish to give you my conception of it. I quote from the bill:

*And provided further, That in any case in which a tenant and landlord, prior to March 31, 1948, enter into a valid written lease in good faith with respect to any housing accommodations for which a maximum rent is in effect under this section and such lease takes effect after the effective date of this title and expires on or after December 31, 1948, and if a true and duly executed copy of such lease is filed, within 15 days after the date of execution of such lease, with the head of the department or agency designated pursuant to section 204 (a), the maximum rent for such housing accommodations shall be, as of the date such lease takes effect, that which is mutually agreed between the tenant and landlord in such lease if it does not represent an increase of more than 15 percent over the maximum rent which would otherwise apply under this section, and such maximum rent shall not thereafter be subject to modification by any regulation or order issued under the provisions of this title. No housing accommodations for which a maximum rent is established by a lease pursuant to the provisions of this proviso shall be subject, on or after the date such lease takes effect, to any maximum rent established or maintained under other provisions of this section.*

This amendment was voted into the bill by a bipartisan vote of 20 to 3. I wish to thank the gentleman from Oklahoma [Mr. MONRONEY] for his remarks on the floor this morning favorable to this provision of the bill.

It means, unit by unit, the tenant and landlord may come into agreement not only as to the amount of rent to be paid but as to exactly what the tenant is to get for his rent and the responsibilities of both parties thereto set out in a writ-

ten agreement. They may agree to repaint or remodel the dwelling unit at a slight increase in rent—not to exceed 15 percent.

This is what happened before we had rent control and it is what will happen after rent control is gone and forgotten. A free negotiation between two parties.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. KEATING. I congratulate the gentleman on this attempt at a solution of a very difficult problem. It seems to me it does furnish us a very good solution. Has it not been your experience that there are many tenants in this country—and tenants, I emphasize—who will be very grateful to see such a provision as this, because it will give them an opportunity to get some repairs on their apartments and houses that they have not been able to get in the past, and they are willing to pay a little something if the landlord will just do something? Under present provisions they cannot get the landlord, in many cases, to do anything. This will give them an opportunity to do so.

Mr. FLETCHER. The gentleman is a hundred percent correct. There are many, many landlords and tenants who have been driven apart. The owner of a property would very much like to do remodeling or repainting but he cannot get an increase in rent, so they are not able to arrive at the work to be done.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. COOLEY. Does this provision give the landlord the arbitrary right to increase rent 15 percent?

Mr. FLETCHER. No; it does not.

Mr. COOLEY. Suppose a landlord operating a large apartment house takes the position that he is entitled to a 15 percent increase in rent, and fails to agree with any of his tenants for anything less than 15 percent?

Mr. FLETCHER. The tenant remains in the apartment house as long as rent control continues. There is no compulsion.

Mr. COOLEY. In other words, the landlord cannot arbitrarily force the tenant to increase the rent.

Mr. FLETCHER. He cannot.

Mr. COOLEY. But they can do it by agreement.

Mr. FLETCHER. By mutual agreement.

Mr. COOLEY. In other words, the tenant will say to the landlord: "I will pay more rent if you will redecorate the house or make necessary repairs."

Mr. FLETCHER. That is correct.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think we should have this in the Record: If I understand the bill correctly, if Mr. A who owns the building I am renting says to me: "Mr. B, I will give you a lease until December 31, 1948, at 15 percent increase" and I, Mr. B, refuse to accept that and rent control goes off on March 31, 1948,

then Mr. A, if he wants to, can increase my rent 30 percent from then until December 31, 1948, can he not?

Mr. FLETCHER. That is correct. After rent control goes off there will be no limitation.

Mr. CRAWFORD. So, my inducement to sign a lease for a 15-percent increase—

Mr. FLETCHER. Or for any amount less than 15 percent, remember that.

Mr. CRAWFORD. Yes, or any amount under 15 percent would be that I might be saving rent after March 31, 1948.

Mr. FLETCHER. That is correct.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield to the gentleman from New York.

Mr. KEATING. The statement was made earlier this afternoon with which I do not find myself in agreement and I would like to have the gentleman's views on it. The statement was made that this provision in the bill gives the whip hand to the landlord. As I see it, as long as rent control continues and the tenant occupies the property if he does not want to agree to an increase he cannot be compelled to agree to it; whereas, if he feels that he can gain an advantage by agreeing to it then he is free to do so, the parties are free to deal as individuals the one with the other.

Mr. FLETCHER. I thank the gentleman for his contribution. He is entirely correct. I do not agree with the statement made earlier today that either the landlord or the tenant has the whip hand.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. McDONOUGH. I am wondering if there is any provision to afford protection so that the landlord cannot bring about an eviction but must deal with the occupant of the property at the time to negotiate this 15-percent increase? If that protection were not in the bill the landlord would have the opportunity of moving someone out in order to get the 15 percent increase from a new tenant.

Mr. FLETCHER. Under the eviction clause the tenant cannot be moved out to make way for that sort of increase. But I should like to continue.

As I was saying, this is an agreement arrived at by free negotiation between two parties. There is no compulsion to force a lease to be made. Tenants can continue to have such protections as are afforded under rent control without entering into a lease with the landlord. But it does afford the tenant a method by which he may guarantee that at least until December 31, 1948, he will pay no more rent than he has voluntarily agreed to pay up to a 15-percent increase, and that he will get such services and maintenance of the property as are agreed to in the lease.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. MONRONEY. The December 31, 1948, date is the minimum tenancy. The

tenant can ask for another extra year if he wants it for further protection.

Mr. FLETCHER. I thank the gentleman for his contribution. The December 31, 1948, date is merely the minimum protection of the lease. It can run for 2 or 3 years and give the tenant further protection.

Rent control has driven tenant and landlord apart—this provision brings them together—it is the American way of doing things. For those who wish to enter into such a lease provision, it is a very simple matter. For 5 cents in any stationery store you may purchase lease forms which only need to be completed as to names, description of the unit to be rented, and the terms.

I confidently believe that under this provision, many leases would be made at no increase in rents, and many at a 5-percent or a 10-percent increase. It does not necessarily follow that all of these leases will be made at the maximum of 15-percent increase. Many tenants and property owners all over the country, have indicated to me that they will have no trouble getting together. One of my colleagues on the Banking and Currency Committee reports a survey in New York indicated four out of five tenants ready and willing to voluntarily give the landlord an increase in rents for the security of tenancy—but the present rent-control laws prevent it.

Certainly, it cannot be the intention of this Congress to prevent the tenant and landlord from voluntarily entering into a mutually satisfactory agreement.

It will be said that as vacancies occur the landlord will demand the maximum of 15-percent increase before leasing to a new tenant. I maintain that this is not necessarily true—but even if it were—is there anything wrong with that?

What is sacred about the amount of rent a person pays? I am one of the first to agree that it is most important for all people to have a decent home in which to live. But there is nothing sacred about the percentage of one's income spent in rent, any more than that percentage spent for food, clothing, or the other necessities of life. The simple truth of the matter is that the latest Bureau of Labor Statistics figures indicate rents have gone up but 4.2 percent since 1940 while food has gone up 91.1 percent and clothing 67 percent.

Undoubtedly there will exist, side by side, units paying different rents because of the difference between those who have not agreed on a lease and those who have. What is wrong with that? The tenant with the lease may be paying a little more but is willing to do so for the guaranty of tenancy under his lease. When are we going to stop thinking in terms that the tenant has any squatter's rights to another man's property? Has the demagogic propaganda of socialized housing so weakened the moral fiber of our people that the tenant can virtually confiscate the private property of the owner?

Let us stop trying to control the lives and property of Americans by Federal legislation. Let us give back the control of rents to the tenants and the landlords where it belongs. In this period of re-conversion to a free economy, I recom-

mend as a partial solution, this provision which allows tenant and landlord to voluntarily enter into a mutually satisfactory lease for the protection of both parties.

But the only fair and final solution is complete elimination of rent control at the earliest practical date. I expect to offer an amendment, at the proper time, which will definitely end rent control on December 31, 1947, with no provision for extension by Presidential proclamation.

I do not believe in the delegation by Congress to the President of our legislative power to continue rent controls after December 31, 1947.

I, for one, wish to stand up and be counted as faithful to my personal pledge and to the pledge of the Republican Party to set free the property owners of America.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield to the gentleman from Kentucky.

Mr. SPENCE. Of course, I think there are inequities on both sides. Sometimes the landlord gets too much, sometimes the tenant gets too much. But does the gentleman think there would be any freedom of contract now in regard to an increase of 15 percent, and would not the tenant be under duress to a certain extent because the landlord would say: "If you do not agree to the 15-percent increase at this time, as soon as these controls are off, as they will be shortly, I will charge you all the traffic will bear." Does not the gentleman think that would have a great influence on the tenant to agree now to that increase of 15 percent? Does not the gentleman think it would disrupt the relationship between the landlord and the tenant? The landlord would want to forfeit the lease, he would want the present occupancy to cease in order that he might be free to impose a 15-percent increase.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SPENCE. I yield the gentleman two additional minutes.

Does not the gentleman believe that under these circumstances it is practically doing away with the present rent control and increasing the rent largely throughout the United States by 15 percent?

Mr. FLETCHER. My answer to the gentleman is that by voluntary agreement these parties can get together. There has been evidence all over the country where they have wanted to; they have expressed themselves of the desire to get together. I have more faith in the tenants and the landlords of this country that they will not try to gouge each other.

Mr. SPENCE. That is all right; the law recognizes voluntary agreements; it also recognizes duress. Under the peculiar circumstances that now exist, the landlord can exercise an influence on the tenant that he would otherwise not exercise. The landlord knows and the tenant knows that before long these restrictions will be lifted, and he can impose his will now on the tenant that he would otherwise be unable to do if the conditions did not exist that exist at the present time. You may say that the



landlord could impose on the tenant at any time and tell him that as soon as his lease is over "I am going to raise your rent," but the tenant now is protected against that.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield to the gentleman from California.

Mr. McDONOUGH. Does the gentleman from Kentucky contend that the relationship between the tenant and the landlord is anything but difficult at the present time? They are now only receiving as an average a 4-percent increase over the cost of the commodity, and the strained conditions certainly would not be any more emphasized by the possibility of an increase of 15 percent.

Mr. SPENCE. I think they would.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. SUNDSTROM].

#### THE NEW TITLE VI PROVISIONS ON FACTORY-PRODUCED HOUSING—HOW THEY WILL WORK

Mr. SUNDSTROM. Mr. Chairman, H. R. 3203, as reported by the Committee on Banking and Currency, contains an amendment to title VI of the National Housing Act which will stimulate the production of houses at moderate prices through the use of modern production methods. To get moderate-priced housing which the average family can afford, we need to encourage more modern methods of building houses. I believe that the mass production of houses will bring the same benefits in lower prices as mass production methods have in other industries.

I am making this statement for the RECORD to show how this provision would operate.

In brief, this amendment simply makes FHA insurance of loans available to manufacturers who produce houses in factories. It enables them to borrow the working capital necessary to manufacture houses. FHA would insure a bank or other lender against loss on a loan which did not exceed 90 percent of the amount which the Administrator estimates will be the necessary current cost of manufacturing houses, exclusive of profit.

Before a loan to a manufacturer would be eligible for FHA insurance, the manufacturer would show that he meets the following conditions:

First. That he has binding purchase contracts for the purchase and delivery of the number of houses to be manufactured from the proceeds of the loan. What this condition contemplates is that a manufacturer have bona fide orders for his houses. It does not necessarily mean that there has to be cash-down payments, but there must be legal consideration which establishes a binding contract to purchase by the ultimate consumer, builder, or responsible dealer. This condition will prevent FHA insurance of loans where there is a mere hope of getting business. The company must

have a market, as evidenced by binding purchase contracts.

Second. That the houses to be manufactured will meet such requirements of sound quality, durability, livability, and safety as may be prescribed by the Administrator.

What is contemplated by this condition is the structural approval which the FHA has been giving in the case of houses that have been approved for the market guaranty contracts. Recognizing the necessity for mass production in a factory, FHA has provided an advance review of a house and given an advance approval of its structure. This gives the manufacturer necessary assurances before he puts a house into mass production. It is most important that we meet such problems of mass production in the factory by adjusting the procedures and practices of the administrative agencies to the requirements of uniform production on a production line.

Third. That the borrower has or will have adequate plant facilities and sufficient capital funds—taking into account the loan applied for—and experience to achieve the required production schedule.

This condition recognizes that, besides the cases where a manufacturer already is in a plant and has sufficient capital funds, there are cases where the manufacturer has made arrangements to get a plant or to get capital. In such cases, it would not preclude a manufacturer from also arranging to get an FHA insured production loan for the manufacture of houses. In any large financial enterprise, there often are a number of different types of commitments involved—such as for a plant, enlisting capital for tooling up, employing production experts, and so forth—and each of these commitments may have to be conditioned upon securing other types of commitments, such as for working capital. So long as the sum total of the commitments and arrangements will give reasonable assurance of producing the desired result, the manufacturer would be eligible under this provision. In general, the objective of this provision is to preclude FHA insurance of loans to manufacturers who cannot make a reasonable showing that they will have the necessary plant, capital, and experience to accomplish the result of producing houses with the working capital to be provided by the FHA-insured loan. In this respect, the provision is a conservative one, as it will weed out speculators and irresponsible applicants.

Fourth. That the loan will involve a principal obligation which will not exceed 90 percent of the amount which the Administrator estimates will be the necessary current cost of manufacturing such houses.

This condition specifically excludes profit from this necessary cost. In this way, it makes it clear that the purpose of the insured loan is to protect the lender and not to guarantee a profit to the producer. The security to be given for these loans is an assignment of the purchase contracts for the houses and the sums payable under such contracts. Provision is also made that the FHA may

require further security, including the right, in case of default, or at any time necessary to protect the lender, to compel delivery to the lender of any houses manufactured with the proceeds of the loan, and then owned and in the possession of the borrower. This security language has been carefully phrased after consultation with lending institutions. This provision gives reasonable security for the insured loan. At the same time, it recognizes that we must avoid burdensome restrictions by encumbering the inventory, as this would hamper the day-to-day operations of a factory and the rapid consumption of raw materials on a production line.

Since this is an amendment to title VI, the insurance of loans will be subject to the over-all limitation on the total amount of insurance authorized to be issued and outstanding. It is particularly important that these provisions be administered in a manner which is adapted to the short-term maturity of the loans, which are not to exceed a period of 1 year, except for refinancing not to exceed a further period of 1 year. The intent of this amendment is to treat as a charge against the over-all limitation on title VI insurance the amount of insurance of loans under this section which is outstanding at any one time.

I have discussed with the Federal Housing Administrator the making of additional loans to a manufacturer from time to time as he receives additional purchase contracts. That is the intention of this amendment and I have been assured that this presents no problem under the language of the amendment.

There is also nothing in this amendment which would preclude continuing a loan under this section until its stated 1-year maturity by substituting an assignment of additional purchase contracts for those on houses which have already been sold.

While the language of this amendment refers to houses, I do want to make it clear that it includes housing in its broader sense. If a manufacturer is producing multiple rental housing units which he is going to sell, this amendment would cover those, just as it covers individual houses which are to be sold. In view of the urgent need for moderate rental housing, I hope that more of the companies will concentrate attention on producing multiple dwellings at lower costs.

This amendment will not only be a great stimulus to housing manufacturers, but it will also help material and equipment producers who sell to these manufacturers. They will be assured of payment promptly, because FHA insured production loans will make working capital available to meet the cost of manufacturing houses. All of this will help contribute to lower costs.

In summary, I want to emphasize that any new legislation intended to meet a new problem will have to be administered with the steady purpose of meeting that problem. I am sure that that is the way the FHA would administer it. I have great confidence that the enactment of this amendment which I introduced in committee, will prove to be of great and lasting benefit to the veterans of this

country by stimulating the production of housing they can afford. It should also help establish a new industry which will contribute to a stable and prosperous economy.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, first I want to congratulate the committee for bringing a bill to the floor at this time and in time for it to have plenty of consideration by the House and the other body as of before June 30.

I can fully appreciate that the members of this distinguished committee have a difficult economic and political problem to deal with, and that also goes for all of the other Members of the House as well as the other body. There are provisions in this bill with which I am not too friendly. I understand certain amendments will be offered which I expect to support.

I cannot reconcile myself to the theory that we, as a Congress, should not take specific steps to categorically protect those owners of excess living units—and by that I mean the man or the woman, or both, who have lived simple lives, exercised thrift, accumulated enough money to buy a small shelter in excess of that which they need themselves, and wherein they have gone along and assumed the risk of ownership with respect to taxes, depreciation, insurance costs, decline in market value, and other hazards, the excess ownership in the form of an extra living unit which someone can occupy as a tenant, and who does not want to take on the risk of ownership himself. There are a lot of these little folks, elderly men and women who invested their savings in excess housing facilities over and above their own needs which they have been renting to these other people who are tenants, and who did not want to own a home but who are not perhaps willing to live as simply, who did not exercise the same amount of thrift and have no idea of exercising such thrift, but who live and absorb under the umbrella of OPA rent controls and in many instances take property away from the good, thrifty, elderly people along a line which, in my opinion, gets very close to taking property without due process of law.

I think the bill should be made very clear in provisions that protect these little people who have no money in the first place; and in the second place, do not know how to acquire the necessary legal talent to see that they get an adjustment under the somewhat vague language that is in this bill.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. The gentleman heard the statement on the floor this afternoon that the bill if enacted would create discrimination between landlords and tenants. The gentleman is aware, of course, that the law as it now appears upon the books does create and cause discrimination between landlord and landlord and tenant and tenant.

Mr. CRAWFORD. Personally I think it is one of the most discriminating, one of the most inequitable, and one of the most unfair programs that has ever been carried on by the Federal Government in its history.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. This bill in its present form takes the ceiling off new construction.

Mr. CRAWFORD. That is correct, as I understand it.

Mr. BROWN of Georgia. It takes the ceiling off a building you are repairing, just so you put a partition in it so you can get more tenants in it. It takes that class off.

Mr. CRAWFORD. I understand so.

Mr. BROWN of Georgia. It takes ceilings off the fellow who got mad and would not rent in 1945 and 1946.

Mr. CRAWFORD. Would the gentleman let me say it this way? It takes the ceilings off those properties which were owned by people who refused to rent them at a price below the cost of maintaining the property.

Mr. BROWN of Georgia. That is right, the class of people that did not subscribe to the theory of the Government. Therefore, the other people, who went along and rented their homes, now will not get any increase, but the fellow who bucked the Government will get an increase.

Mr. CRAWFORD. No; the fellow who had sense and instincts enough to protect his own economic position gets the increase, because there are people who do know something about the cost of maintaining property and who take the position, at least at this moment, that the Government has no right to take that property away from them through OPA rules and regulations and give the property to someone else. That is the issue which is involved in this proposition.

Mr. BROWN of Georgia. May I say to the gentleman that only 3,670 individual housing units of the 16,000,000 under rent control received an upward adjustment in rent to October 19, 1946, under the hardship provisions of the OPA. This is less than three one-hundredths of 1 percent. I want this class of people to have the same treatment everybody else gets. It is a good idea if you can make these adjustments, but they just do not make them. Therefore, you have to cut across the board so as to give these people relief compared with other people.

Mr. CRAWFORD. And by cutting across the board, if I understand the gentleman, he proposes to support an amendment to give an increase in rents all the way across the board.

Mr. BROWN of Georgia. Absolutely. The person supporting an amendment like that can point out the fellow who in 1945 and 1946 had his house closed, and turn around and see the other people who rented their homes; and they cannot get their ceiling increased but the fellow who locked the door against the veteran that came back can get it.

Mr. CRAWFORD. In other words, the man and woman who owned those little

places and who went along in the faith and belief that their Government would treat them right, and who have been unable to get an adjustment under the hardship clause as evidenced by the figures which the gentleman has submitted, are entitled to a place in the sun.

It is for that reason that I propose to support the amendment.

I think that the present law has provisions in it which would protect these little people if the little people could get the administrators of the present law to give them fair treatment. But I do not think those little people can get that sort of treatment.

In my own home town, the local regional rent administrator has insulted the intelligence and patriotism of honest men and women who live simple lives and practice thrift and contribute to the tax box and who buy bonds. He carried the matter to the point where he would not even let them talk to him over the telephone, to say nothing about calling at his office. I went into his office and said to him, "You and I are servants of the people. Our salaries are paid by these good taxpayers." Incidentally, I took those taxpayers in with me and he saw us. I read the riot act to him as a fellow can if he gets mad enough. I told him what I thought about it.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. KEATING. I appreciate that there are cases such as the gentleman has mentioned. Probably there are a good many of them. The gentleman has made a very strong plea for the little landlord. But will not an across-the-board increase in rent, in your judgment, create many more inequities than it will cure?

Mr. CRAWFORD. I do not think it will because I do not know of an occupation or profession in the United States where the workers in that particular group or classification have not received substantial rates of increase in pay during the last 4 or 5 years. That goes all the way from the person who performs the lowest stoop labor up to the highest paid professional men and women in the United States. They have had their increases in pay. The plumber and plasterer and carpenter have certainly had their increases. But the person who owns a little home where the plumbing has to be repaired and where repairs and decorating have to be done have had no substantial increases in their rents. They are entitled to those substantial increases along with the others.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield two additional minutes to the gentleman.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. BROOKS. What study, if any, did the committee make in reference to the possibility of turning this problem over to the States where the States have laws and are willing to shoulder the responsibility? It has always occurred to me that real estate and the handling of



real estate was primarily a local function. It is not movable property such as an automobile that can be driven from one State to another. Where the State has a law which is adaptable to these circumstances and they are willing to shoulder the responsibility, what does the act permit that State to do?

Mr. CRAWFORD. First, let me say I agree with the gentleman that this matter should now go to the States if it is to be continued. Secondly, I would prefer to have the chairman of the committee or the ranking member on the minority side answer the gentleman with respect to such study as the committee might have made on that subject.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. FLETCHER. Does the gentleman believe that rent control should be continued beyond December 31, 1947?

Mr. CRAWFORD. If it was entirely left to me, I would discontinue all rent control not later than December 31, 1947. I would discontinue it lock, stock, and barrel. I would let the people of this country get back to carrying on their own affairs and let the owners and tenants work out their own economic salvation. But, of course, I will not have my way about it.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. RANKIN. A while ago we were in a colloquy about the prices 10 years ago and now. I got from the Treasury Department the statement for December 31, 1936, and December 31, 1946. On December 31, 1936, we had in circulation \$6,542,752,261, and this year we have \$28,952,436,702. In other words, we have more than four times, almost five times as much money in circulation as we had 10 years ago. That is the reason prices of commodities have advanced, while rents have been arbitrarily held down.

Mr. CRAWFORD. That is correct so far as you go, but still other inflationary forces have contributed to the spiraling of prices.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. BANTA].

Mr. BANTA. Mr. Chairman, I regret very much to find myself at difference with the distinguished chairman of the Committee on Banking and Currency, which considered this bill, as well as with other members of the committee who voted to report it to the House in this form.

I am unable to go along with any who believe that this bill will improve the situation in which we find ourselves now, under the present law, and those laws which have been in effect during the time that control has been in effect over those groups of our citizens who are landlords and tenants.

For a great many years either the Congress or the administrative agencies set up by the executive department have been classifying our citizens, placing them into categories, and giving pre-

ferred treatment to this category or that category, for one purpose or another. We have complained bitterly about the fact that the administrative agency which has exercised control over the rental properties, as well as control over the construction of housing units throughout the country, has been unfair to the nth degree. I have not found anyone to raise his voice in commendation of any of the administrative agencies, successive to one another in this field.

The testimony before this committee shows that there are approximately 16,800,000 housing or dwelling units in this Nation which have, at one time or another, been under Federal control. We all know how unfairly the owners of those units have been treated.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. BANTA. I yield.

Mr. BUFFETT. The gentleman made a very energetic effort in the committee to find out if the present rent-control law was alleviating the housing shortage. Was he able to get any facts from the officials in that respect?

Mr. BANTA. I not only made inquiry from all officials and witnesses who testified before the committee who could have possessed any information and failed to get it, but I have since reviewed the hearings, and it is not to be found. I think one of the greatest indictments of the program for continued control over rental properties is to be found in the fact that no one who appeared in behalf of the several housing agencies was able to tell this committee how many unoccupied houses there are in this Nation now, while at the same time we are asked to believe there is an acute housing shortage. It is estimated there are from 150,000 to 200,000 houses now unoccupied, but this estimate had to come from a person outside the Government who was admittedly making a guess. Much has been said about what we should do for the veterans to get them into these houses. If I analyze this situation correctly, the very controls which have been impressed and which this bill, if enacted, will continue to impress, will keep the inflationary situation alive. It is forcing rental houses off of the market, forcing them into a market which is a seller's market, and that itself steps up the price, because if you cannot rent shelter you are forced to buy it, and at the seller's price. If you make shelter subject only to purchase, then the price goes up. What are we doing to the poor veteran who wants shelter and who cannot rent it, but must buy it on a seller's market at such ridiculous prices? We are forcing him to buy it at a price he cannot afford to pay, which is wholly unfair and unjust.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. BANTA. I yield.

Mrs. BOLTON. In the study the gentleman has made of the situation did he find anything like the situation which I have in Cuyahoga County in the matter of single-person units and family units? Did he find any situations that would show the accuracy of facts given me dur-

ing a study I had made of housing facilities, especially for veterans' families? I found that between April 1940 and November 1945 one-person households in the urban areas of the United States increased 42 percent. This means that 2,372,000 dwelling units were occupied by one person in November 1945, whereas in April 1940, only 1,671,000 were so occupied. In fact, if no more one-person households occupied dwelling units in Cuyahoga County now than in April 1940, there would be ample places for all to live.

Mr. BANTA. The gentlewoman from Ohio is exactly correct. I have a letter this morning from a lawyer in Los Angeles, Calif., in which he makes this significant statement:

I have a house built to take care of 290 people that is actually housing 142 people. The consideration I got from OPA for increased occupancy is negligible, so that when an apartment becomes vacant I rent it to one person. OPA allowed for increased occupancy in one specific case 12½ cents a day additional for an increased occupancy from one to four persons and furnish everything, including laundering of the linens and weekly maid service. Under the circumstances I rent to one and forego the 12½ cents a day to which I would be entitled if I furnished everything to three additional people.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. BANTA. This bill continues the present situation which will permit the hoarding of houses. It divides tenants into classes, namely, the tenants who occupy old houses and the tenants who will occupy new houses, to say nothing about placing the veterans into a separate class as well as into the two classes formerly mentioned.

It divides landlords into classes, namely, those who own rental houses now completed, and those who will own houses yet to be completed. It is grossly unfair to the owners of presently completed rental houses, 80 percent of which are owned by small investors who, in many instances have their life savings invested therein, having so invested with the hope that they could have a fair return on the investment which under continued rent control is impossible.

It will perpetuate bureaucratic control of one-fifth of the economy of this Nation and transfer a legislative function to the executive branch of the Government.

If all of the American people are entitled to fair treatment, if they are all entitled to equal rights and privileges under the law if private ownership of property is a right to be cherished, and one that should be encouraged, let us free ourselves from bureaucratic control of the houses in the Nation.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Chairman, I have been sitting in the Chamber listening to

the debate and have come to the conclusion that if we would do the American thing and provide the means or open the gate whereby we could make available additional housing to veterans we should get rid of OPA just as fast as humanly possible. During the war I had the privilege of making an investigation of housing conditions which included my own State as well as others. The last day of the investigation happened to be in Los Angeles. I heard 106 people testify that last day and I was told time and time again by veterans themselves that if we could eliminate Government control houses would be available for veterans. Apartment houses would be available also.

Mr. Chairman, we have had control by the Government of the people's business for so long that a lot of people today are not renting apartments and houses that they own. At the present prices they are getting for homes and apartments they cannot afford to have them picked to pieces, like they are in some instances, without having some protection.

We hear the great plea, "We want to help the veterans." I wish it were possible for some of the veterans who are deceased to return and observe how their own mothers and fathers are being treated today throughout the country. I can cite instances where mothers and fathers, elderly people, who have lost one, two, or three sons, have two, three, or four houses to rent, and that is all they have in God's world to take care of them. Today under Government control they cannot rent their property for the amount of the cost of maintenance. Taxes have increased in some instances as much as 50 and 60 percent, yet these people cannot get an increase in the rent of the properties. We talk about justice. Mr. Chairman, this is one of the greatest un-American conditions that faces the country today. We have not attempted to touch upon the subject of providing additional housing. We have strangled those who would like to make it possible to have additional housing, leaving it to some Government bureau to provide the housing. Many of these men know nothing about the situation.

Mr. Chairman, I could not vote for the pending bill today if it meant my job tomorrow morning, and I would gladly yield my job tomorrow morning if we could get rid of these controls at that time and give the whole business back to the American people and let them provide housing for the veterans. I will gamble with any of you on that.

Oh, yes; a year ago we were talking about increasing our own salaries, yet we do not want to do anything to help the one who owns property, giving them the right to live. I have people in my district who, by the time they pay the taxes, the water rent, garbage disposal charges, and so forth, are losing on each family unit at the present time from \$20 to \$40 a unit per year. How many of you would stay in business if you operated like that? Can they get an increase? No. The OPA strangles them. How many of you Members know that the

Office of Price Administration, and I offer this for the RECORD, have sent out Form 298-49 which contains questions on both sides to be answered by the person who is a renter so that they can get more propaganda and make it possible to keep their jobs a little bit longer, and at the same time strangling the fellow who wants to help the American people.

Mr. Chairman, this OPA Form 298-49 is as follows:

OPA Form 298-49.

Form approved.  
Budget Bureau No. 08-R1728.  
Approval expires 9-30-47.

#### TENANT'S STATEMENT

1. Address of premises \_\_\_\_\_
2. Apartment or room No. \_\_\_\_\_ Number of rooms in your apartment \_\_\_\_\_ Number of occupants \_\_\_\_\_
3. Check type of rental: ☐ Furnished. ☐ Unfurnished.
4. Rent paid \$\_\_\_\_\_ per \_\_\_\_\_
- (a) When is rent due? \_\_\_\_\_
- (b) To whom is rent paid? \_\_\_\_\_
- (Name) (Address)
- (c) Since what date have you paid the above rent? \_\_\_\_\_
- (Month) (Day) (Year)
- (d) Do you get rent receipts? ☐ Yes. ☐ No.
- (e) Do you pay by check? ☐ Yes. ☐ No.
- (f) Check services supplied by landlord which are included in your rent.  
☐ Garage. ☐ Heat. ☐ Water. ☐ Gas.  
☐ Electricity. ☐ Refrigerator.
- (g) When did you move into the above accommodations? \_\_\_\_\_
- (Month) (Day) (Year)
5. If you were living in the above accommodations on May 1, 1945, please state what rent you were paying on that date: \$\_\_\_\_\_ per \_\_\_\_\_
6. If your rent was increased or decreased during your tenancy:
- (a) When did the change occur? \_\_\_\_\_
- (Month) (Day) (Year)
- (b) What amount did you pay before change in rent? \$\_\_\_\_\_ per \_\_\_\_\_
- (c) What amount did you pay after change in rent? \$\_\_\_\_\_ per \_\_\_\_\_
- (d) State reason for change in rent \_\_\_\_\_
7. Has the landlord reduced any of the services, furniture, furnishings, or equipment since you moved into these accommodations? ☐ Yes. ☐ No.
- If the answer is yes, state:
- (a) Service, etc., which has been decreased \_\_\_\_\_
- (b) Date decrease occurred \_\_\_\_\_
8. Did you pay extra money or a bonus to the landlord, agent, or superintendent in order to obtain the accommodations? ☐ Yes. ☐ No. If yes, state:
- (a) To whom extra money or bonus was paid \_\_\_\_\_
- (b) Amount of extra money or bonus \_\_\_\_\_
- (c) Date extra money or bonus was paid \_\_\_\_\_
9. Did you pay a brokerage fee, commission, or reward in order to obtain accommodations? ☐ Yes. ☐ No. If yes, state:
- (a) To whom paid \_\_\_\_\_
- (b) Amount paid \_\_\_\_\_
- (c) Date paid \_\_\_\_\_
10. Did you pay any security deposit in addition to your first month's rent to the landlord, agent, or superintendent? ☐ Yes. ☐ No. If yes, state:
- (a) To whom security deposit was paid \_\_\_\_\_
- (b) Amount of security deposit paid \_\_\_\_\_
- (c) Date paid \_\_\_\_\_
11. Did you purchase furniture or other property from landlord, agent, or superintendent in order to obtain these accommodations? ☐ Yes. ☐ No. If yes, state:
- (a) From whom purchased \_\_\_\_\_

- (b) Amount paid \_\_\_\_\_
- (c) Date paid \_\_\_\_\_
- (d) Items purchased \_\_\_\_\_
12. Did you pay for painting or decorating of accommodations? ☐ Yes. ☐ No. If yes, state:
- (a) To whom payment was made \_\_\_\_\_
- (b) Amount paid \_\_\_\_\_
- (c) Date paid \_\_\_\_\_
13. Has the landlord refunded any money to you? ☐ Yes. ☐ No. If yes, state:
- (a) Who paid the money to you \_\_\_\_\_
- (b) Amount refunded to you \_\_\_\_\_
- (c) Date refunded to you \_\_\_\_\_
14. Please give name and address of landlord of accommodations in (1) above \_\_\_\_\_
- (Name) (Address)
15. If you are not living at address in (1) above:
- (a) When did you move out \_\_\_\_\_
- (Month) (Day) (Year)
- (b) Give your present address \_\_\_\_\_
- (Number and street) (City and State)
16. Comments: (Brief) \_\_\_\_\_
- (Date) (Tenant's signature)

Mr. Chairman, I want to take a minute to read a letter which I received from a man in my district. I have received many of them from my district, but this one is a very fair letter because the writer admits in his letter his own position. It reads as follows:

BAKERSFIELD, CALIF., April 12, 1947.

MR. ALFRED J. ELLIOTT,  
Congressman, Tenth District,  
Tulare, Calif.

DEAR MR. ELLIOTT: Of course, I realize that I am in the real-estate business, and therefore possibly prejudiced, but at the same time there is such a thing as justice.

It is probably difficult for anyone to get all of the figures, but tremendous sums are being paid the farmer, as well as others, for the purpose of maintaining prices and/or subsidizing operations. The landlord, however, has taken a terrific beating and still continues to get no relief.

The country's landlords have not asked for subsidies, although the Government has spent outlandish amounts supplying public housing, which is nothing more than a subsidy to renters.

All of the rent-control administrators that I have come in contact with have been of such a caliber that they were just filling in with that particular task until they could get something more stable, as most of them had never held a job of any responsibility.

We have had one here who could tell your landlord or landlord's agent, how the poor tenant should be protected, but at the same time he could spend all of his money betting on the horses.

Now the tenants are receiving the enclosed questionnaire and letter from the OPA Enforcement Division.

It would appear that they are trying to again develop more propaganda and publicity for consumption by the Congress in order to keep their bureau alive.

I personally do not own any rental property that would be affected by the continuation of the OPA rental program. I do have charge of approximately 85 rentals, however, and I can say that if the rents were increased or even doubled my personal income in way of fees from handling of these properties would be no different than it is now, so I am not discussing the matter from a selfish angle.

I can also state that momentarily I have actually benefited from the rent control program as many properties that the landlords would have kept as rentals have been sold because of the OPA policy.



I believe this is true over the entire country, and it still gets back to what has been said so many times, namely:

"The OPA has kept rentals from increasing, but there are no rentals."

If you are given an opportunity, I hope you will give some consideration to this subject.

Very truly yours,

WARDE D. WATSON.

Mr. Chairman, in making the statements I have made, I have tried to be fair and consider the facts. As I said, I yield to no Member in my desire to improve the housing conditions in my own State as well as in the other States, and I say to you sincerely that if we can eliminate some of the Government controls and make it possible that people can build like we did prior to the war, we will achieve success.

Now, some people will say that many articles cannot be purchased. I can cite an instance where a gentleman in my congressional district, who manufactures articles from pig iron, was making every endeavor to keep up his pig-iron operation to produce some of the necessities mentioned on the floor today. He was told, "We cannot provide you with pig iron on account of the shortage of coal, and for that reason we will have to deny you the right to have any additional pig iron." That went on until his whole allotment of pig iron was practically shut off, but at the same time that he was appealing to the Federal agencies to get some additional pig iron, in Los Angeles, Calif., there were 15,000 tons of pig iron loaded, on the boat, being shipped to Soviet Russia, and yet we did not have any for our own manufacturers to provide these much-needed essentials for homes for the veterans.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, I want to depart from the subject under discussion today and to talk about another matter of vital importance to the American people.

I am disturbed at reports that funds for the information program conducted by the State Department's Office of International Information and Cultural Affairs may be eliminated from the State Department's appropriations bill for the fiscal year beginning July 1. Such action, I believe, would be a false and dangerous economy, plainly against the public interest. Elimination of the Department's international information activities would, I feel, deal a tremendous blow to American prestige abroad, at a time when it is vitally important that the American story be told overseas, and that an even greater effort be made to combat the misrepresentations of the United States which are so prevalent abroad. Withdrawal of the United States from this field will create, in many areas, a vacuum, which will inevitably be filled by some other country, not necessarily interested in telling the truth about this country, or in giving the facts about the United States and its foreign policies.

Created a year ago last January in a drastically reduced merger of OWI and

the Office of Coordinator of Inter-American Affairs, the OIC has a staff of approximately 3,000 in the United States, and in the more than 60 countries in which the United States maintains diplomatic missions. Each week it broadcasts approximately 400 hours of news, music and feature programs to Latin America, Europe and the Far East. These programs are carried in 25 languages, including Russian, which has recently been added. It is planned soon to add also Greek and Turkish to the list. These radio operations account for approximately half of the OIC's budget.

The OIC also maintains more than 60 information libraries in 41 countries. Its documentary films produced by the Government, and by such American interests as the United States Steel Corp., the National Tuberculosis Association and the Westinghouse Electric Co., are shown each year to upward of 100,000,000 people abroad. The OIC also sends in Morse code a daily news bulletin to our embassies and legations, some of which is made available to local news services, editors and other interested persons at the point of reception. It also assists in the international exchange of teachers and students. All these, and other similar activities are carried on pursuant to the Presidential directive "to see to it that other peoples receive a full and fair picture of American life and of the aims and policies of the United States Government."

Why is it so vitally important that this full and fair picture of American life be presented to foreign peoples? It is important because misrepresentations of the United States and its policies are widely prevalent abroad. A good example of this is the current misrepresentation and distortion to the Greek and Turkish peoples by the Moscow radio of the purposes of our proposed aid to these countries, and the policies of the United States Government. Since the announcement of the aid program by the President, the propagandists of Moscow and its satellites have spared no effort to misinform the world about the United States policy. The Moscow radio has charged that this country has embarked upon an imperialistic expansion program. Members of Congress who have taken the lead in explaining the aid program have been the targets of Moscow propagandists, in what appears to be a carefully planned policy of impugning the motives of a friendly foreign government.

In many parts of the world, particularly areas lying behind the so-called iron curtain, and in those in which the press is controlled by the government, or in which few people understand English, or can afford to buy American periodicals, private American agencies are unable to operate, or can only do an inadequate job. Through its information service, the Government must continue to do much of the job of presenting the facts about the United States. For this reason, the OIC is an essential instrument of our foreign policy. As Secretary Marshall said in a press conference on February 7:

It seems to me absolutely essential that from somewhere—in this case the United

States—we endeavor to cover the earth with the truth, pure truth without any twist or turn or implication in the midst of this riot of propaganda. We should have an establishment—to act steadily and to our credit before the world for making a purely accurate statement of the facts as nearly as can be determined with no leaning to the one side or another.

Last year, as a member of a House Military Affairs subcommittee, I visited the Pacific Far East on a tour of inspection. I saw at first hand there evidence of the extent to which Soviet Russia is moving in that area ideologically. Soviet propagandists are numerous, and their activities cover a wide field. They spare no effort and their funds appear limitless. To meet this propaganda, we need to make a more aggressive effort to sell Americanism, and the OIC is an effective instrument for doing this job.

At this point I would like to insert some excerpts from a recent article by Ernest Lindley, the well-known columnist, in the Foreign Service Journal, *Propaganda—Neglected Arm of Policy*:

We have an attractive line of goods to advertise—our way of life, including our standard of living, and the kind of world we favor. Our declared objectives seem to be in tune with the aspirations of most of the people of the world. One might say, therefore, that at the top level of planning our propaganda has been sound, and that on the whole it has been well expressed in our major official utterances and actions. Even at this level, however, we have tended to neglect and waste some of our assets; for example, the anti-imperialistic reputation which made so many of the colonial peoples look to us with confidence. Reduction in armaments might also be cited as a problem in which, through lack of alertness or of foresight, we permitted the Russians to score some strokes of propaganda at our expense.

In the main, however, our weaknesses in the realm of propaganda are in the follow-up, in seeing that the facts about our way of life and our purposes get down to the grass roots and sidewalks of the world, in countering the propaganda directed against us. To do this requires machinery and money—not much compared to our Military Establishment—but more than we are using now.

Our propaganda should be based on the truth, as we honestly see it. By being scrupulously truthful we can best exploit the serious potential weakness in so much of the propaganda directed against us. Truthful propaganda, moreover, is the only kind of open propaganda which a democratic government, exposed constantly to examination and criticism at home, can use effectively. Finally, and most important, it will, in the long run, help to build up confidence in us.

American publications and other private agencies can help, but they cannot do the whole job. A big part of it must be done by machinery operated or organized by the Government. The overseas information program of the Department of State seems to me to be a good start. But its resources will need to be expanded and elaborated.

We have tended to underrate propaganda. We need to give it much more thought and attention than we have in the past—both to disseminating our own and to breaking up propaganda attacks on us. We should give the planning and execution of our propaganda policies and much care as we give military policy and international trade and financial policies.

We do not need to take a licking in propaganda. But we will unless we realize its potency and exploit it—our kind of propaganda, based on truth—with something approaching the vigor and skill of the

vast propaganda machines being employed against us.

The OIC, I believe, on the whole has done a good job, and this is the judgment of many outside observers who have had an opportunity to survey its operations in the field. Here are a few typical comments:

A small group of 5 Americans and 22 non-American, including messenger boys, comprise the State Department's information service team in Turkey, where it is doing a remarkable job of selling America. (Constantine Brown, in the Washington Evening Star, April 5, 1947.)

For my money, the most effective public servants we have abroad are the men and women who run the United States Information Service. (Edwin A. Lahey, in a despatch to the Chicago Daily News from Oslo, November 22, 1946.)

In Peking, in Mukden, Singapore, Rangoon, and Saigon I have found that USIS has been quietly but effectively propagandizing the United States as a place where wheat is grown, dams are built, and children are fed milk. The USIS movies are effective. Its news releases are complete and undistorted—when I was in Rangoon USIS issued the complete text of Marshall's statement on China, whereas the agencies offered only a couple of paragraphs. Best of all, I think, are the USIS reading rooms, often the only libraries available to the public of a given country. The eagerness with which the brown and yellow men devour American books and magazines is impressive. (Robert Sherrod, foreign correspondent for Time magazine, in a letter to Henry R. Luce, February 12, 1947.)

We Americans who lived in Paris before the war welcome this little American library on French soil. No longer need we bear the brunt of disseminating the true facts about America answering, often not wisely or well, their strange and laughable questions. (Valma Clark, from Paris in the Kansas City Star, December 9, 1946.)

Whether it's a load of 60-millimeter film which OIC men are lugging by oxcart and raft to the interior, or whether it is a load of water-purifying equipment which institute doctors are taking to a town in the Amazon valley, these men are making the idea of America stick in the minds of the people. (Frederick Oechsner, Scripps-Howard staff writer, from Rio de Janeiro, Washington Daily News, December 6, 1946.)

Through tens of thousands of agencies people in every country are told every day that we are undemocratic, militaristic, reactionary, culturally backward people intent upon an imperialistic adventure. Without any contact or evidence to the contrary or means of knowing anything about what we are doing or thinking or saying, good people everywhere are likely to accept this libel. By daily broadcasts in many languages—by libraries and information centers and use of all modern means of communication and interchange of information and trained personnel, the department is simply spreading the truth. And truth is the very cornerstone of any human understanding of international harmony. (Ralph W. Page, in the Philadelphia Bulletin, March 28, 1947.)

The education of Asia to the values of democracy as opposed to the regimentation of communism is not so large an order as it appears at the first look. At the moment we are only picking at it through the Christian colleges in China, a few exchange scholarships, commercial distribution of a few thousand American books, newspapers, and periodicals, and through the United States Information Service of our State Department, which furnishes news to the papers of Asia and maintains reading libraries in the capitals where we have embassies, legations, or consulates. Expansion of the latter ac-

tivity and of scholarships would seem to be the quickest and easiest way to reach the largest number. \* \* \* There is no iron curtain between the United States and most of Asia, only the barrier of distance and the lack of funds to buy American newspapers, books, and periodicals or to send students to the United States for study. For the richest country in the world, that should not be an insurmountable barrier to a billion potential friends. (Foster Hailey, editorial writer for the New York Times, reporting on his Far Eastern trip in the New York Times Magazine, April 13, 1947.)

Recently, in an effort to present the American story to the Russian people, the OIC, through the Voice of America, initiated a daily Russian-language broadcast. Reports from Moscow indicate that these broadcasts are getting through and are being listened to.

According to Drew Middleton, in a dispatch to the New York Times on March 27, the Voice of America program to Russia "is winning an increasing number of listeners not only in Moscow but also in the Ukraine, White Russia, and several provincial cities of the Russian federation."

Said the Middleton article further:

Generally the programs are attracting more and more listeners, they are getting publicity by word of mouth, and they are contributing to an understanding of the United States here. If they can increase this understanding then they will help to solve a number of the problems in our relations with the Soviet Union from the Russian side.

A committee of the American Society of Newspaper Editors, after a study of OIC operations a few weeks ago, concluded that the Russian broadcasts are serving an important purpose. The members of this committee were George Cornish, managing editor, New York Herald Tribune; Ben M. McKelway, editor, Washington Star; and Hamilton Owens, editor, Baltimore Sun. Said the committee in its report:

The work of the OIC in general and the Russian broadcasts particularly are still in the experimental stage. Considering that the assignment given covers the whole world, the expenditure of the Office is modest. There may be waste in some respects, and further experience may suggest that some aspects of the undertaking are ill-advised. That will be a matter for departmental or congressional determination. We are convinced, however, that the Russian broadcasts as at present conducted are serving an important purpose. We believe the State Department would be justified in asking for the funds necessary to provide a clearer signal reaching farther into Russia and less subject to the natural interferences which are now so frequent.

Last summer the House Committee on Foreign Affairs reported a bill authorizing a foreign information service for the State Department, but Congress adjourned before action on this legislation could be completed. The State Department some time ago sent to Congress the draft of a similar bill as part of its list of urgent legislation. It is my hope that hearings on this can soon be held and that it will receive early and favorable action. It is essential that Congress assure a continuation of the Department's information activities and that the program be given adequate financial support by the Congress.

As the New York Herald Tribune pointed out in a recent editorial, our whole foreign policy is now committed to a course which renders essential a sound information policy. It would be a false economy that would wreck a basic policy for which nearly everyone recognizes the need and so deprive the American people of an instrument which is increasingly important to the peaceful fulfillment of their postwar aims.

Secretary Marshall needs a vigorous information program in carrying out the objectives of our foreign policy. This program must be regarded as an integral part of our national defense, and if it is eliminated we may well emerge the losers in the war of ideas, a loss that might prove as disastrous to us as actual defeat on the battlefield.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, there are some parts of this bill with which I am in full accord. I approve of that portion of the bill which provides for the decontrol of materials so that houses can be built for veterans and other people. I am in full accord with that part of the bill which provides for the voluntary agreement between property owner and tenant for a lease, although I do not think the ceiling fixed is high enough at 15 percent. I approve of those portions of the bill which make conditions between property owners and tenants voluntary. I am unalterably opposed to that portion of the bill which provides for a continuation of rent control without in any way providing relief to the eight or ten million property owners of this country, most of them small property owners.

Rent control undoubtedly served a useful purpose during the war. In a few days we will be in the third year after the war, and still arbitrary rent control remains to plague, irritate, and take away without any chance of recovery the income of a segment of our population, the property owners, a vast majority of them small owners, the most substantial in the Nation.

What have they done that they should receive this kind of treatment on the part of the American Congress? Nothing except in their productive years to work and save and sacrifice and then build a house or two to provide some return, an income in their declining years. They are the self-reliant people who prefer to remain free and independent and have something to remain independent on in their old age, and not become the wards of their Government.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Mississippi.

Mr. RANKIN. They paid taxes on that property all those years, to maintain the States, the counties, the municipalities, and the school systems.

Mr. DONDERO. The gentleman from Mississippi is right about that. I am coming to that in a moment.

I do not think there is any dispute on the part of any Member of this House, no matter on which side of the aisle he sits,



that the cost of maintenance of property since rent control went into effect has increased somewhere between 70 and 80 percent. We placed a ceiling on rent, but we did not place any ceiling on the tax collector. No ceiling was placed upon the decorator, no ceiling was placed upon the coal man, no ceiling was placed upon the plumber, no ceiling was placed upon the light bill, the gas bill, no ceiling was placed on the water bill, no ceiling was placed on the carpenter, and no ceiling was placed upon the janitor, or the manager of the building, yet the owner of the property must sit idly by and see the savings of his earlier years vanish through an arbitrary rent control that does not recognize the right of the individual property owner of this country. Why should they be asked to subsidize an increase in living costs and the tenants make no contribution to it?

I say that it is a travesty on justice that eight or ten million of our people should receive that kind of treatment at the hands of the American Congress.

I do not know what the experience has been in your part of the country with the administration of rent control, but I do know something about it in my area of the country, in Detroit, Mich., and its metropolitan area. Any home owner or property owner who sought relief had two strikes on him before he even entered the building. His complaint was laid aside to wait weeks and months before it was ever given consideration. But if a tenant went in to complain about even something, that person received immediate attention—indicating of course that the rent-control administration in my area of the country was biased and prejudiced against the property owner. The people in my area became so discouraged, if I am to judge from the communications they sent me, that they no longer made an appeal for relief and simply suffered in silence and saw their income taken away unjustly. This bill intends to continue that thing at least for another 8 months without any relief whatever to these people.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. As a member of the committee, I made the statement that I found in discussing with other Members of Congress and during the hearings that most of the Members found in their districts a great deal of the same arbitrary action on the part of the administration of this law.

Mr. DONDERO. It shows that treatment was quite general throughout the United States.

Unless this inequity is corrected I intend to vote against the bill. There will be no houses or other rental units offered for rent as long as the Government controls rent. Rent control has contributed to the housing shortage, because control has discouraged home ownership and the building of homes.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I do not think I need to impress upon the mem-

bers of this House the importance of this legislation to my district. Just about 99—and as many 9's as anyone would like to add—percent of the people of my district rent apartments, and any increase in rents will hit them extremely hard and right between the eyes. The average income of the people of my district is about \$2,500 to \$3,000 per year. So, in considering this bill, perhaps I can see even a little better than some of my colleagues who represent farming communities and who might not feel so keenly the effect of legislation such as we are considering, the Hobson's choice we have in this bill. Because that is exactly what it is—Hobson's choice.

Mr. SMITH of Ohio. What is the average rental paid in your community?

Mr. JAVITS. The average rental paid in my community would vary between \$45 and \$60 a month.

In view of the enormously enhanced cost of living which the people of my district in common with the other citizens of the middle class are experiencing now, the margin for any more payment of rental is nil. Living costs have gone up some 60 percent over prewar prices, and rent control is the one thing keeping ends together as far as my people are concerned.

Mr. SMITH of Ohio. The average income, you say, is \$3,500?

Mr. JAVITS. No; I said \$2,500 to \$3,000. If the gentleman will figure out the average city family's budget, he will see exactly what I mean—there is no margin for rent increases. That is the hard fact.

The main point in this whole bill is that it does, in substance, continue the rent-control situation on presently occupied rental housing as is. That situation must be continued—there can be no question about that. With all the discussion that has taken place on the floor about how there can be more housing, the answer is that there is no more housing now and no matter what you do, there can be little more housing until the time when the controls under this bill will have expired. It cannot take less than from 9 months to a year, and will probably take much longer, for anything to manifest itself so far as an improvement in the housing situation is concerned. We have to take care of the people in the more than 16,000,000 rental units which we now have occupied, and must act upon the facts as they are now, not as they will be in the future.

I feel very badly and I think every veteran feels very badly about what I call the American tragedy of housing. The tragedy is that of every veteran living in substandard housing or doubled up with relatives, who can walk down Fifth Avenue and see that a New York department store has put up a new magnificent building, and yet be told that it is impossible to construct an ordinary home for ordinary fellows who fought the war.

One of the great defects of this bill is that it fails to tighten up on that situation. If this whole title I were stricken out of the bill it would be a much better bill. Nevertheless, I would like to point out in fairness to the committee that at least they have done one thing, if nothing else, and that is they have continued

to face realistically the rental situation by holding on to the control, a relaxation of which to an enormous proportion of the families of American would mean the difference between economic life and death.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. KUNKEL. Under existing law, as it has been for some time past, we have had the most drastic Government controls over all of this commercial housing, but despite that you still have all these race tracks and commercial buildings going up. It certainly is not the fault of the committee which brought in the legislation in the preceding session that that condition has existed.

Mr. JAVITS. May I point out to the gentleman that all the ills of which he speaks will only be increased if this very vital question of commercial construction is left out of this bill, as is now proposed. It is not an answer to say that there are ills. We know that. It is an answer to say that the ills will not be increased by this legislation.

Mr. KUNKEL. I do not think that is an answer.

Mr. JAVITS. We talk a good deal about prices coming down. We feel we are headed for a deep depression because of the bad adjustment as between prices and wages. How can we therefore consider anything which will materially increase the biggest single item of the budget of so many American families. Rent constitutes 20 percent of the budget of the average family living in rented accommodations. How can we seriously stand here and talk about any across-the-board increase in the rents of the country? What we have been preaching is that cost of living prices must come down and this is the place to keep them down.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, I warned some weeks ago that we might have brought before us in this House a rent-control bill which would in no way control rents. I think the gentleman from Pennsylvania has described this bill sufficiently clearly to make it plain that if this bill goes through without amendments, and as it is now written, it will be utterly impossible to hold rents in line in this country.

If the bill goes through as it now is, we can expect the same situation so far as rents are concerned, as we had on meat. The lack of any adequate enforcement machinery combined with the decontrols legalized in this bill could mean that about January 1 we can expect such a great number of inequities to exist throughout the country, that there would be an uprising from the people all over the country asking to do away altogether with a rent-control program which is no rent-control program at all.

The result will be that rents will jump not the 15 percent talked about in this bill, but anywhere from 15 to 150 percent. No one can tell where the final ceiling will be.

There is meat on the market today but at what price?

There may be housing tomorrow, but at what price? The evictions of hundreds of thousands of people.

Either we need a rent-control program, or we do not. Passing a bill with the name "rent control" pinned to it is not going to help anybody.

There seems to be those in Congress who are not worried because the cost of living has risen. There seem to be those who do not hesitate now to increase the rent of 16,000,000 American families living in rented units. The welfare of 50 to 60 million people apparently seems to be a matter of little concern to some Members of this House. Some apparently are not afraid of already bursting family budgets. They are willing to take the top off.

The hypocrisy of this bill is sickening. You cannot have rent control unless you can enforce rent control. The bill forces the renter to go to the courts for adjustment of violations in rentals.

Those of you who live in city districts know the tremendous pressure on the housing market in those districts, where people are living, not just doubled up, but in cellars, in garages, in cars, in tents, in the back of lots. To remove rent controls in the face of such a drastic housing shortage is to invite trouble—to invite evictions.

Families will not be able to carry their cases to court in time to prevent evictions. They do not know the economic facts that they should have when they do come to court. The landlord associations will have the facts for the landlords. You can be sure of that. The courts do not have investigators. Cases will be settled on the basis of one-sided facts. Cases will not be brought in many, many instances because renters will not have the money to bring them to court. Or if they are brought, months will elapse before they are heard for there will be rent increases from one end of the country to the other. Where does Congress suggest the evicted families go. If we do not have a rent control system with powers of enforcement, we do not have rent control.

I am going to move to strike out title II and to replace a simple continuation of the Emergency Price Control Act of 1942.

Why do we need rent control today? We need it today because the same elements that made rent control necessary a year ago still exist. The same problems that existed a year ago are with us today, only added to our housing problems we have the increased cost of living to reckon with.

The Bureau of Census figures for January 1947, showed that 2,200,000 city families—not farm—did not have houses or apartments of their own.

They were living with others. In addition to that 300,000 families were living in rented rooms, hotels, or trailers, garages, cellars, or wherever they could find a place. The Bureau of the Census survey made last summer and fall in 70 cities on veterans' housing conditions shows that in the majority of those cities between 25 to 45 percent of the married veterans had no homes of their own and were living in rented rooms, hotels, and trailers.

The CHAIRMAN. The time of the gentlewoman from California has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentlewoman from California three additional minutes.

Mrs. DOUGLAS. We have heard a lot of talk on this floor, we have heard a lot of talk in the country, about the veterans, but there is very little consideration of the veteran here today. No wonder five veterans' organizations are against this bill.

The veterans were away on official business by the will of the American people when the housing that we have filled up in this country. Now they have returned and want a home of their own and we not only wreck our rent-control program but we wreck what is left of the miserable, pitiful, little veterans' housing program. In all decency we have to think of these veterans who have come home, who want to start their own families. They went from home and fought a war so that our families could be protected. Today they are living in trailers, garages, cellars, or living doubled up with their families, living under such pressure and such crowded conditions that their marriages are going on the rocks.

The question before this Congress is the same today as it was a year ago. In a housing market where there are not enough houses to go around, does the Government help the veteran? Are we prepared to say to him, "You went off and fought a war for us, thanks; glad you have come back"? The housing is all filled up, there is not any place for you, sorry; we feel sorry but we have got to get back to normal conditions.

The housing conditions in this Nation are not normal, my colleagues. That is a fact that no amount of arguing on this floor will change; housing conditions are not normal.

They may be normal in some of your rural districts but they are not normal in any city district in this country, and until they are normal, until we do provide homes for the American people by setting up a program that will permit the building of houses within a price range that the great mass of American people who need homes can afford to buy or rent, we are not fulfilling the obligations of this Congress.

The CHAIRMAN. The time of the gentlewoman from California has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, there is an old adage that says that history repeats itself. Today on the House floor we are seeing history repeat itself in regard to the wrecking of rent controls, for there is happening now that which happened last year in the wrecking of the Price Control Act. We were promised great things when the Price Control Act was wrecked. We were told that increased production would occur, that increased distribution would occur, and prices would go down. Prices have not gone down and it has been about 9 months since price control was wrecked. We are told in the case of rent control that if we just ease up on rent control we

are going to have a lot of houses and all that sort of thing. My prediction is you are not going to have any more success with your program of wrecking rent control, than you did in wrecking price control.

We have heard today on this floor about a lot of empty houses. As far as I know, there is not one in my district. May I say, and I hope this is carried as a headline in every paper in my district, if there are any apartment house owners or house owners in my district who would not take the OPA price ceiling for his apartment or house from a veteran who has returned from the war, I would like to see that man rise before some veterans' organization and explain why he keeps his house or apartment empty. If he was losing money at \$40 a month, then he is losing more money by zero dollars per month and I say that he is not necessarily a patriotic American citizen exercising his rights. I should say he is a contemptible coward for not making a home for some veteran who was over there fighting so that he could maintain the title to that piece of property. I will let that statement stand.

In your phony concern for the little landlord you have wept crocodile tears. Why not offer an amendment, and I will support it, giving the landlord with two or three or four houses a justifiable increase? Why do you not bring an honest bill to this floor if you are so concerned with the little landlord? We know that the rents as a whole should be raised some. We know there is a justifiable case for some rent increases, but why do you not bring an honest bill in here which will allow an over-all national increase up to a justifiable percentage, then put enforcement provisions in the bill that will make that much of a raise allowable and no more of a raise? You bring in a phoney bill, a fraud, a hypocritical piece of legislative hokum. You wreck the building materials control, so far as the veterans are concerned, which was designed to accelerate the production of other scarce building items, and you tie that up with rent control, something that it should not be tied to. You have to swallow a bitter pill to get some sweet. I think we ought to have some courage; you ought to bring out a real rent control bill. If a case can be made, and I think it can be made for a reasonable increase, then let us vote it up or down honestly.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The gentleman is making a fine contribution to this discussion and I want to congratulate him. Of course, if this bill is as outlined in the gentleman's remarks I think we better not have any bill at all.

Mr. HOLIFIELD. The gentleman is right. I think we ought to be honest with the American people.

Mr. BROWN of Georgia. Yes. We ought to be honest with them.

Mr. HOLIFIELD. I am agreeable to giving a justifiable increase. I am willing to leave it up to regional boards, if necessary, as to how much it should be



in a particular area. But this phoney lease arrangement whereby a lease can be signed and the person moves out, then from that time on there is no provision for control, along with a lot of other phoney provisions I would like to talk about, makes it no bill at all.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. The gentleman knows that under the present rent-control law the Administrator can make an adjustment if he sees fit. The trouble is they never do it.

Mr. HOLIFIELD. I agree with the gentleman, there are many inequitable cases which have arisen under the present rent-control law, but I think we should cure them rather than to offer a piece of legislation whereby the inequities will be multiplied a millionfold.

Mr. KUNKEL. The gentleman is asking for what is in the present law, but it has never been done.

Mr. HOLIFIELD. Let us make an attempt to do it instead of destroying the means of having any type of control.

Mr. KUNKEL. They have been attempting to do it for years and years and years and they have never done it.

Mr. HOLIFIELD. The gentleman talks about individual cases. I know there have been some inequities, but there has also been a great saving to the mass of American renters, those who were working in war plants, under the present price-control law.

Mr. KUNKEL. I would like to know whether the gentleman's object is to save money for the renters or to get a just law?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Chairman. I yield 5 minutes to the gentleman from Louisiana [Mr. Boggs].

Mr. BOGGS of Louisiana. Mr. Chairman and Members of the Committee. We have witnessed here on the floor this afternoon one of the strangest debates that I have ever listened to. Except for the chairman of our committee—and I have the very highest regard and respect and admiration for him—there has not been a single Member who has stood here in the well of this House who has not apologized for this atrocious bill which is now before the House of Representatives. Why, Mr. Chairman? Because the members of our committee have not been forthright in the consideration of this legislation. We have attempted to bring out here an omnibus bill which does not face the issue on housing, which does not face the issue on rent control, which does not face the issue on the great problem facing millions of our veterans today.

The net result of it is that the men who do not want rent control are opposed to this bill; the Members who want rent control are opposed to this bill; the people of this House who are justifiably concerned about the pitiful plight of our veterans are opposed to this bill, and the people who do not care about their plight are opposed to this bill. Why? Because we have done a terrible job of draftsmanship, and we

have attempted to bring here to the floor of this Congress a bill that every one would have to vote for for some reason or another. Now, I represent a congressional district where it would be the worst type of injustice to thousands of Americans to remove rent control completely. I represent a congressional district like so many of you do where there are countless thousands of veterans looking for places to live and, as the gentleman from California has said, who are now living in trailers and in tents and in cellars. Yet, we bring here today a bill which, No. 1, removes what little help we were giving the veterans in the housing program.

It does not matter how long we debate this issue. Any man who honestly considers this bill cannot help but reach the conclusion that if this bill is enacted in its present form then the veterans housing program can be completely forgotten about. Then there is this sop in the bill, this business about you must get a permit to build a race track or a permit to build a honky tonk. Was there ever presented to this body a more pitiful compromise regarding the men who fought the battles for our country for 4 long years, and who demand a place to live in the land which we all love? Yes, I sat during the committee hearings and I followed this bill, and I probably will vote for the bill because I am in the position that so many others are in. We must continue some form of rent control, but this bill, as someone has said, is a travesty upon justice, and I think the American people ought to know about it.

Let us talk a minute about the rent-control section in the bill. I voted in the committee for a 10-percent increase across the board, and I am going to vote here today for a 10-percent-across-the-board increase in rent. And why did I do that? Because the way the bill is now drafted we completely open up ceilings on new construction. We completely eliminate ceilings of the person who has not been patriotic enough to rent his home during the war. Now we say that he can rent it for any amount that he pleases. So the net result is that here is the little man who has patriotically abided by the regulations of his country, who has attempted to live within the law, and he must rent his property under a control ceiling and his neighbor on both sides—well, the sky is the limit.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. SPENCE. Mr. Chairman, I yield three additional minutes to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. I ask the members of this Committee, in all fairness, in all honor, in all decency, is this a fair bill? Is this an honest approach to the problems now facing the little man who has invested funds in real estate and in property in this country?

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield to the gentleman from Virginia.

Mr. HARDY. In connection with this across-the-board increase that has been discussed a little, there have been

a good many rental properties constructed since the freeze date. On those properties rentals were fixed by agencies other than the OPA. They were based on current construction costs and on an entirely different basis from the basis under which the rents were fixed that were frozen on April 1, 1941. Would it not promote a perpetuation of inequity to permit an increase on those properties, and, if an across-the-board increase is granted, could it not be restricted so as not to include those properties where rents were fixed by agencies other than the OPA?

Mr. BOGGS of Louisiana. I would think so, but I have not studied the subject.

The members of the Committee will be very much interested in knowing some of the things that happened on this bill. On March 16, I believe it was, our committee voted for an across-the-board increase in rents. We were told then that on April 16 the committee would meet again to report out the bill. One week went by, two weeks went by, three weeks went by, and all kinds of huddles were held by my very good and esteemed friends on the other side. Finally, the committee met. The so-called across-the-board amendment was rejected and in its place, again to bring out a bill that everyone was supposed to be for and no one was supposed to be against, was substituted the amendment of my good friend the gentleman from California [Mr. Fletcher] which, in effect, as a distinguished minority member of the committee has pointed out, will result in a 15-percent-across-the-board increase. So that this bill is an obvious attempt on the part of the majority of this House to play both sides of the street, to be for rent control and be against rent control, to be for the veterans' housing program and to be against the veterans' housing program.

I wish that it were possible to send this bill back to the committee and make the committee come out with an honest, straightforward bill.

Mr. RANKIN. Will the gentleman offer a motion to recommit the bill?

Mr. BOGGS of Louisiana. A motion to recommit will be offered.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. Jackson].

Mr. JACKSON of California. Mr. Chairman, this will probably be one of the most unpolitic speeches I have made since I have been a Member of the House, because I, in common with a great many others here, come from a district in which there are thousands of rental properties.

Much has been said about the veterans of the last war, the men who were out fighting and dying for certain principles. Let me say that the continuance of Governmental controls over the destinies and properties of free Americans was not one of the principles for which I fought.

The basic issue before the House today, as I see it, is not only a question of continued rent control but is also a question as to whether or not the legal possession of property carries with it not only obligations but a few long-forgotten priv-

ileges and prerogatives as well. If we are going to play into the hands of collectivist government here at home while we strive to stem communism, statism, and collectivism abroad, then we are certainly working both ends against the middle.

For the first time, and I am sorry to say it, I cannot wholeheartedly support a measure brought forth by the leadership. I want to see the bill amended because I think we are temporizing with legitimate freedom of action under law. I am further convinced that we are temporizing with principle, and the basic principle at stake as I have said, is whether a man's wife, a man's home, a man's automobile, or a man's shirt, is his to have and to hold, or whether they belong to the State. That to my mind is the only question involved in the debate here today.

I am a veteran. Do not lay the housing shortage or all the multitude of the veterans' troubles solely at the door of rent control. Lay them instead at the door of Federal agencies which have permitted the construction of warehouses, cocktail bars, bowling alleys, and every other type of nonvital construction. We can get veterans' construction started in quantity, and no one in this House wants veterans under their own roofs any more than I do. I think the greatest thing this country can do, the greatest achievement it can make in applied democracy, would be to put every veteran under his own roof in his own home. But you are not going to do it by rent control or by completely haphazard assignment of priorities. You are going to keep them out of more homes and apartments than you will ever succeed in locating or building for them under a system of restrictive controls.

It is my considered opinion that unless Government controls are removed as a restriction against private ownership and construction of homes, we are taking the shortest and most direct route to complete all-out collectivism, statism, socialism, and eventually communism.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield.

Mr. RANKIN. Does not the gentleman think these controls deter people from building homes?

Mr. JACKSON of California. I do not think there is any doubt in what the gentleman says. I have people in my district—people who have saved all their lives to get a few dollars together to build two or three units and who are today under the obligation of disposing of that property because they cannot even pay the upkeep on it.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield.

Mr. HOLIFIELD. May I ask the gentleman if he will support an amendment which I intend to offer which will give such relief to the owners of two or three units?

Mr. JACKSON of California. I will tell the gentleman my colleague from California that I will support one thing, and that is the right of the American

citizen to own and operate his own property.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield further?

Mr. JACKSON of California. I am very glad to yield further to the gentleman.

Mr. HOLIFIELD. Will the gentleman who has stated he is against controls vote to take away all controls on rent?

Mr. JACKSON of California. Yes; very definitely, and, if necessary, I will sacrifice my political head to a strong conviction that the course of Government control in time of peace is the path of eventual destruction of American freedom.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield.

Mr. KUNKEL. I want to ask you as a veteran if it is not true that by freezing rents you are also freezing occupancy. Therefore, the people who were overseas during the war cannot secure occupancy when they get home.

Mr. JACKSON of California. That is right, and what is more important is the fact that you are freezing freedom, individual initiative, incentive to new construction, and the hearts of men and women who love this land and its institutions.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I gladly yield to the gentleman.

Mr. DONDERO. Do you think anybody in this country is going to build a house for rent as long as the Government controls rent?

Mr. JACKSON of California. If anyone does, I should seriously question not only his judgment but his sanity as well.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I am glad to yield.

Mr. OWENS. Is it not a fact that statistics show that 36 percent more people are occupying houses where there is one person than where there are two people?

Mr. JACKSON of California. I do not think there is any question about it. I know that in my own district there are homes and apartments standing empty today because they cannot profitably be operated under existing circumstances.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. HAND].

Mr. HAND. Mr. Chairman, I take this time only for the purpose of trying to get clarified in my own mind one or two things in this bill. For that purpose I ask the attention of the distinguished chairman of the committee.

On Monday of this week, the Rent Administrator, through some mysterious process I wholly fail to understand, or possibly through some mistake, in the last dying days of his agency and on the eve of our consideration of this legislation, decontrolled a large number of defense rental areas throughout 22 States. Among those areas decontrolled were 2 counties in my district, both seashore counties, side by side, with precisely the same problems. One was decontrolled. The other was not decontrolled, with the

perfectly natural result that the tenants in 1 county feel that they have been discriminated against, and they have, and the landlords in the other county feel that they have been discriminated against, and they have. The question I have in mind is this: On page 12, subsection (d) of your bill there is a definition of "Defense rental areas." It seems to me to mean that any area which was under rent control on March 1, 1947, is under control upon the passage of this bill, notwithstanding this order of April 27. My question is whether, if this act is passed, that will not, in effect, nullify the action of the Administrator, which was taken only 2 or 3 days ago, and which was arbitrary, ill-timed, discriminatory, and unfair. What does the Chairman think about that?

Mr. WOLCOTT. If the language on page 12 and at the top of page 13 is adopted, it will not change in any respect the authority of the Administrator to decontrol any property which is now under control. The Administrator has always had authority to decontrol an area. He could control, as he has in the case of the gentleman's district, one county, and decontrol another county. An area does not necessarily have to be a county area. This bill continues authority for decontrol of any area, or any housing accommodation within any area.

Mr. HAND. I understand that, but my point is that this bill defines areas which are going to be controlled under this bill, as those which were under control on March 1, 1947. This decontrolled area was under control then.

Mr. WOLCOTT. That language prevents any properties from coming under control which were not under control on March 1, 1947.

Mr. HAND. I am not sure that I agree with the gentleman's view on this. I have one further question. The chairman knows that in seashore or resort areas, seasonal rentals—rentals, we will say between May and October—were not controlled and have not been controlled for the last couple of years. Does this bill in any way change that situation?

Mr. WOLCOTT. If the property was not under control on March 1, 1947, it cannot be put under control by the enactment of this act.

Mr. HAND. I thank the gentleman.

I would like to say briefly that I feel we must extend rent controls for some period, because of the acute shortage in housing in this country. I feel very strongly the strength of the arguments that have been made that landlords have been inequitably treated in many cases. I think the answer is not a flat increase or immediate and complete decontrol, but that we should write into this law definite regulations providing for equitable, fair, and speedy treatment of many owners who have been denied justice.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield.

Mr. RANKIN. If an area is decontrolled, can they then reassume control over it? Suppose an area is decontrolled, such as the gentleman referred to. Can the rent control authority then reassume control over it?



Mr. WOLCOTT. I do not think there is anything that provides that they can put controls back on. I think I should qualify that, however. There seems to be a little doubt about it. If a property was under control on March 1, 1947, and it is decontrolled, there is no language which directly authorizes them to put the controls back on. But I may say to the gentleman that that is not too clear, but inferentially they restore controls.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. HAND] has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I for one expect to vote against this bill.

If it is defeated, then rent controls go off the 30th of June. The present rent control is simply grinding into the dust the people who are trying to own property in this country. Many of them are old people who have bought their homes and paid for them and have paid taxes on them for years. Now they are held down to where they cannot realize reasonable returns on their investments.

In addition to that, these controls have prevented the building of homes. Members talk about veterans. If we did not have these controls the veterans in large sections of the country would build their own homes.

When I came into the Chamber a short time ago they were discussing a comparison of rents today as against 1936. I tried to call attention to the fact that prices of all kinds in a free economy are governed by the volume of the Nation's currency and the velocity of its circulation. In 1936, on December 31, we had \$6,542,000,000 in circulation. Remember that figure, \$6,542,000,000. Ten years later, on December 31, 1946, we did not have \$6,542,000,000 in circulation, we had \$28,952,000,000 in circulation, or more than four times the amount in circulation in 1939.

Everything else has gone up, but now with this bureaucracy you attempt to hold down the rent that a man may get for his property although everything else has increased in price. As a result that man who is paying the taxes to maintain the community—and do not forget that—is forced to lose money on his investment.

Many of them are war veterans. Do not forget that you are injuring just as many veterans as you are pretending to help by perpetuating the controls, covered by this bill which, the gentleman from California [Mr. HOLIFIELD] says, is a monstrosity.

You are therefore preventing the building of homes. Peoples are afraid to build homes. I live in a country where raw materials are abundant and where the people want homes, but when they find the threat of the Housing Authority, the threat of the Rent Control Authority, or the threat of any bureaucracy hanging over them, it frightens them and has prevented, in my opinion, the building of the homes we need.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. WOLCOTT. I have deep admiration for the gentleman's logic, usually, but I do not quite follow the gentleman on the statement that he made that he is going to vote against this bill and the argument which he makes that the continuance of controls would be a deterrent to the construction of homes.

Mr. RANKIN. I am going to vote against this bill because if this bill is defeated rent controls will stop on the 30th of June.

That is what the American people want. They do not want to be kept in any strait-jackets. They are tired of strait-jackets. The fact of the business is I would have voted 2 years ago, and I will vote tomorrow, to declare the war at an end and put an end to all control and let us get back to the American way of life; so we can make our own living, build our own houses, operate our own property, and let the man who pays the taxes, whose son, or who himself, went to this war and came back to his property that he has owned for years and struggled to pay for, let him continue to enjoy the American way of doing things.

These rent controls ought to have been discontinued long ago. I am going to vote against this bill because I think rent control should be discontinued entirely. If you want rent control, let your State handle it, but let us get the Federal Government out of the business.

I know of one instance where an old person lived in a room or set of rooms. The landlord let her stay on at a meager rental of \$10 a month. Finally she passed away. Another party offered \$35 a month for that property, but the rent control board stepped in and said: "No, you must go on and rent it for what you have been getting."

No; let us defeat this bill and get back to the American way of life.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman—

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield.

Mr. BROWN of Georgia. I wish to ask the chairman of the committee, the gentleman from Michigan [Mr. WOLCOTT], one question. Do I understand the gentleman to take the position that a single unit in a rental area can, under this bill, be decontrolled by the Administrator?

Mr. WOLCOTT. Yes.

Mr. BROWN of Georgia. Show me that in the bill.

Mr. WOLCOTT. Subsection (c), page 14.

Mr. BROWN of Georgia. Read it.

Mr. WOLCOTT. That provides:

The head of the department or agency designated pursuant to subsection (a) is hereby authorized and directed to remove any or all maximum rents before this title ceases to be in effect.

Mr. BROWN of Georgia. That is the rental area. You cannot pick out one unit.

Mr. WOLCOTT. "Any or all maximum rents" in any rental area.

Mr. BROWN of Georgia. I know, but that is not a single unit.

Mr. WOLCOTT. What is it?

Mr. BROWN of Georgia. You have not changed the law at all.

Mr. WOLCOTT. If it does not mean a single unit it cannot mean all. "All" means all and "any" means any. What does it mean?

Mr. BROWN of Georgia. I do not think the gentleman's interpretation is correct.

Mr. KENNEDY. Mr. Chairman, I was very much interested in the speeches of the gentleman from California [Mr. JACKSON] and the gentleman from Mississippi [Mr. RANKIN]. Since I have been a Member of the House I have heard the gentleman from Mississippi [Mr. RANKIN], many times speak about the work of the TVA and various other Federal projects that have aided lowering electrical rates. It seems that if the Government takes a part in lowering electrical rates it is doing a wonderful thing, but if it takes part in providing houses for veterans, it is totalitarian and must be stopped.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman ought to know that the power business is a public business and the owning of homes and houses is a private business, just the difference between public and private enterprise.

Mr. KENNEDY. The gentleman from California [Mr. JACKSON] has stated that the housing shortage is due primarily to the bureaucrats, but he should know very well that the only time that private enterprise alone anywhere near met the demand for houses was in 1925 when we built about 836,000 units. Between 1930 and 1940, however, we built only approximately 253,000 units annually, which resulted in an annual shortage of about 600,000 or 700,000 housing units. The result was that at the end of the 30's about 17,000,000 families were living in houses for which they paid rent of between \$10 and \$30 a month. Many of these houses were substandard. During the 6 years of the war, homes were not built for private families so that when the war ended there was a great housing shortage, which was not under any stretch of the imagination, caused by bureaucrats or Government control.

Mr. Chairman, this means, in my opinion, that the Government must take a stand in helping alleviate the housing shortage. The bill that the gentleman from Michigan [Mr. WOLCOTT] proposes, with all good intentions, does not approach solving the housing demand. The housing shortage will not be solved by lifting rent control off of new construction. This will merely mean that houses will be constructed so that the average veteran cannot buy them.

If we are going to solve the housing shortage we must institute a long-range housing program, provided under the Wagner-Elender-Taft bill. The gentleman from Michigan [Mr. WOLCOTT], has excused himself from offering that bill

to the House by saying that the committee has not time, that it must spend 5 or 6 weeks in studying the RFC and other related projects.

It seems to me there is no subject as important as the housing shortage and that this House ought to take action immediately, and that the committee ought to report out a bill that will really do something toward solving this problem. If you think that the problem has gotten any better in the last 6 months so far as building new houses is concerned and since a great many Government controls have been lifted, take a look at these figures: In June, 1946, a typical month of so-called Government control there were 63.6 thousand starts; there were 34.9 thousand completions. In March of this year with many of the controls lifted there were only 49.8 thousand starts while there were 57.1 thousand completions. This means that the trend is downward on starts. If you do not get a house started you are not going to get a house completed. A rate of a million units a year has been achieved in 1946, so by March 1947 we should have been going at an unprecedented rate, yet the fact is that we reached only 49.8 thousand starts in March 1947 and we will be lucky to get a half-million starts for the entire year.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman one additional minute.

Mr. KENNEDY. Mr. Chairman, I am opposed to this bill in its present form. I think if we in this country go back in 1948 to the veterans, and to the rest of the people, and say that all we did in this House to alleviate the housing shortage was to pass this bill, we are going to have a lot on our conscience.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. KLEIN].

Mr. KLEIN. Mr. Chairman, I take the floor at this time simply to call the attention of the committee to an article which appeared in the New York Times in connection with the proposed 15-percent rent increase. The item stated:

The 15-percent rise has received the support of the National Home and Property Owners Foundation, which stated in its publication: "By plugging for a 15-percent increase in rent ceilings we might be able to kill off rent control entirely."

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I concur in the minority views as expressed by the gentleman from Oklahoma [Mr. MONRONEY], the gentleman from Louisiana [Mr. BOGGS], the gentleman from Alabama [Mr. RAINS], and the gentleman from New York [Mr. O'TOOLE], which appear on pages 36 and 37 of the committee's report on H. R. 3203. The only reason I did not sign the minority report was that I was away from the city at that time on official business and was

not available to sign it. But I concur in those views.

Mr. Chairman, I will ask unanimous consent when we get back in the House to insert the report in the RECORD at this point.

I expect to make a motion to recommit this bill to the Committee on Banking and Currency.

The minority report referred to is as follows:

#### MINORITY VIEWS

Repeal of most of the provisions of the Patman Veterans' Emergency Housing Act, designed to help the veterans secure housing, is effected by title I of H. R. 3203.

Despite the fact that almost all the national veterans' groups were unanimous in demanding the continuance of minimum controls by the Federal Government to help in the veterans' housing crisis, this bill removes virtually all governmental power, priorities, or allocations to do anything about it.

These few necessary controls, still being exercised to channel scarce items into veterans' housing, instead of into unnecessary commercial construction, are virtually swept away under the provisions of title I.

On these salient features of continuing need for Government action, most of the national veterans' organizations agreed:

1. Continued limitations on unnecessary commercial construction.
2. Continued limitation against construction of houses for purely seasonal use.
3. Continued limitation of housing to 1,500 square feet floor space.
4. Continued allocation of scarce raw material, such as pig iron, for residential construction use.
5. Continued assistance to building material producers to secure repair parts, machinery, and supplies.
6. Limitation of new houses to one completed bathroom.
7. Genuine veterans' preference on purchase of new homes.

H. R. 3203 effectively eliminates any Government help or control over these seven points in the programs of these veterans' organizations.

With a commercial backlog of construction waiting to be built, totaling many billions of dollars, this bill will open the floodgates for this gigantic construction program to compete with the small veterans' homes in a market still plagued by material shortages and skyrocketing costs of labor and materials.

This competition with big construction, turned loose without restraint by this bill, would sound the death knell of even a minimum number of new houses, vitally necessary to eliminate acute suffering in hundreds of communities.

In addition to further raising the already high construction cost of homes, this gigantic commercial construction program would create shortages in skilled labor, and sap many of the same materials now vitally needed for housing construction.

Even with the present careful screening by local boards under the nonresidential construction order VHP-1, new nonresidential construction is now running at a rate of more than \$57,000,000 a week, and for the year totaled more than \$3,000,000,000. Many moderate-sized communities report that their backlog of unnecessary construction, now not being approved, exceeds \$60,000,000.

The claim is made repeatedly by the proponents of repeal of even the minimum controls of the Emergency Veterans' Housing Act still being exercised that it is these controls which are holding back the adequate construction of houses. Dozens of articles recently in the press indicate just the contrary by quoting dozens of localities where

rising construction costs and shortages of materials and labor are almost universally blamed.

It is difficult to see how the veteran hoping to buy or rent a small \$5,000 or \$7,000 home can be helped by opening up billions of new commercial construction. It is difficult to see how ending all right of the Government to channel scarce materials into veterans' homes, instead of eating places, showrooms, stores, factories, summer hotels, and beach houses, will help the veteran.

It is difficult to see how repealing any right to allocate pig iron for scarce cast-iron soil pipe, steel for electrical switch receptacles, critical items for wiring, millwork and flooring can make the supply greater to the veteran by relieving him of his present preference.

It is difficult to see how withdrawal of all right of Government to give priority assistance to producers of housing materials for repairs, replacements, or new machinery will encourage more housing materials.

It is difficult to see how the weak and ineffective provisions of the bill, relating to a 30-day so-called veterans' preference period, will insure that the veteran can always get first chance at the same terms of completed houses.

This provision of the bill appears to be particularly weak and ineffective by failing to guarantee that the veteran must be given a genuine preference for sale at the same price and terms as nonveterans are quoted after the 30-day waiting period.

It would be the point of wisdom to continue the few remaining controls now being exercised by the Housing Expediter, to insure that housing for veterans is not frozen out of the picture by competition with unnecessary and nonessential construction.

A. S. MIKE MONRONEY.  
HALE BOGGS.  
ALBERT RAINS.  
DONALD L. O'TOOLE.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I did not intend to speak on this bill. To me this bill is not satisfactory. I expect to vote for the bill in the hope that the conferees will correct some of the defects if we fail to amend it on the floor. I am not going to vote to recommit this bill because I know that means to kill the bill, and that you will not have any rent control after the 30th of June. While I would like to correct a lot of errors and mistakes in the bill, I am frank enough to say that I think a vote to recommit and send it back to the committee would be the end of the bill. I shall join with the chairman in voting for this bill in the hope that we will get something better from the conferees.

I remember when we had up the Patman bill there was one difference between myself and the author of the bill and the Chairman at that time. The difference of opinion was on subsidies. I led the fight, joined by my good friend, the present Chairman, and others, and after we won that fight the gentleman from Michigan [Mr. WOLCOTT] offered a substitute. We defeated his substitute and passed the Patman bill, and I am still for the main provisions in the Patman bill, especially those that are helpful to the veterans. The only difference between me and the author and the Chairman was that they wanted subsidies, and the record, as time has shown, has proved that I was right, and that the



gentleman from Michigan [Mr. Wolcott] and others who joined me were right, because of the \$400,000,000 that we had for premium payments placed in the Patman bill by the conferees only \$50,000,000 has been spent for building materials.

I think the benefits that were given to the soldiers in the Patman bill ought to be preserved and maintained. Now, as for rents, it may be that we should raise rents across the board to help the little home owners of this country. This bill in its present form carries no rent ceiling on houses to be built from now on. It takes care of those who are in the real-estate field. It takes care of those who are in the building game, but it fails utterly to take care of the little man who owns a little home.

You take another class, the class who failed to rent in 1945 and 1946. Now we say to them, "We will take care of you even if you did not comply with the wishes of the American people and did not open the doors of your houses to returning veterans. We will give you permission by which the sky is the limit for you to raise rents on all including these veterans that are coming home."

We say in this bill to the widow who left her home to live with her daughter in order that she might get enough rent from the little home to pay for her clothing, "We will not help you."

Under this bill we are saying to one class of home owners who are able to change or convert their houses to have more room space, "You are free to rent for whatever price you can obtain and the sky is the limit." Yet you say to the little man with nothing but a little home to rent, whose living expenses have gone up 100 percent since the freeze date, "You must remain under rent control without any increase in your rent."

Let me call the roll of some of these people who desire to help the little home owners. The soldiers of the country desire for them to receive fair play, in view of the fact that many classes and a large percent of the population will not be under rent control. You all remember the expression of President Lincoln to the effect that this country could not prosper long half free and half slave. May I now say this bill, as it is now, certainly will not be well received by the American people when you free so many and keep others, especially the poor class, under rent control, and I venture to say it will be difficult under such class legislation to enforce the provisions of this bill. This certainly is class legislation, with half the people controlled by rent ceiling and the other half turned loose.

Let me call the roll further. Mr. Paul Porter, successor to Mr. Bowles as Price Administrator, in June 1946, stated that should the then proposed extension to the Emergency Price Control Act become law, rents could not remain at their frozen level.

In November 1946, the Housing Rent Industry Advisory Committee to OPA, selected and approved by OPA officials themselves, made an official recommendation to the Office of Price Administration, urging an immediate 15-percent over-all increase in rent ceiling.

I am informed that 2 or 3 months ago, General Fleming, Administrator of the Office of Temporary Controls, prepared an order providing for an over-all 10-percent increase in the general rent level, but, I am further informed, this order was canceled for some reason by direction from higher authority. I am sure that General Fleming certainly had no political motive in preparing such an order. On account of the high cost of living and the further fact that so many present homes and those homes to be built will operate without any ceiling, it seems to me that a modest increase in the rental levels of the owners is necessary.

We certainly do not want to be placed in the position to be criticized without giving some aid to those whose rents were frozen in some sections of the country when these rents amount to about the same as received in 1939.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. SPENCE. Mr. Chairman, I yield five additional minutes to the gentleman from Georgia.

It is true that we have, under the present law today, a provision by which the Administrator can raise the rent in hardship cases and where there are inequities. This is fair in theory but certainly has not proved practical or beneficial in such cases.

According to the testimony of one of the main witnesses, a man who is well known and has a splendid reputation, only 3,670 individual housing units of the 16,000,000 under rent control received an upward adjustment in rent to October 1946 under the hardship provisions of OPA. This is less than three one-hundredths of 1 percent. That is proof that that theory, while it sounds good, is not practical and did not work. Therefore, it is up to this committee to adopt some amendment that will be workable and give equality as much as possible to all classes of people. Therefore, a small raise across the board is the only practical method to do this as the other methods have failed.

You may say that some few people will get too much. Let us admit that those who bought their property at a foreclosure sale might get too much, but this is a very small percent compared with the whole.

An amendment providing for a 10-percent across-the-board raise is about the only way you are going to prevent hardship to the small home owners of our country, and if such an amendment is not in this bill the conferees will not have it in conference, as I understand the Senate bill as reported out by the committee does not have any such provision. If we are sincere about helping the little home owner, now is the time to have such an amendment in this bill.

I know that the returning soldiers themselves want this class of people to be treated fairly compared with other groups because they know, as many of us know, that a lot of small home owners have put every dime of their savings in small homes and now receive rent sufficient only to pay for the repairs that are required monthly.

I asked you to vote for such an amendment to give equality to the needy people. This bill is exactly what the real-estate dealers and the building-material people want. You have opened the door to them. You make the sky the limit to help this class of people, but you are not helping the little man. Such discrimination is wrong. Let us help the little home owners. Now is the time to help them.

Mr. WOLCOTT. Mr. Chairman, I yield the balance of the time to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I ask unanimous consent that I may speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Mr. Chairman, I take this time in order that the Members may have information that I think ought to be available so that you may be able to answer letters and telegrams which you will undoubtedly receive from many veterans who are receiving readjustment and subsistence allowances under the GI bill. There are some 1,120,000 veterans who are now receiving readjustment allowances and there are 1,660,000 veterans in schools and on-the-job training who are receiving subsistence allowances.

Yesterday at 3 o'clock the head of the Veterans' Administration issued a press release and word went out to the country that the veterans who are the beneficiaries of that program will have to wait for a short time for their money. The fellow who owes rent and has to pay cash as he goes along and who is in school and has a wife and two or three kids and is living in a trailer, as hundreds of thousands of them are, needs this money.

Unfortunately, the impression has gone out that the Congress has failed to meet its responsibility. I simply want to say that there will be some delay of a few days in getting these checks out to these veterans. The reason is that the program grew so rapidly that the Veterans' Administration, with all the help and aid and advice that they could bring to bear on the subject, missed the totals that would be necessary by over a billion dollars. The result was they had to come to the Congress for a deficiency appropriation. Between the time they submitted the situation to the Bureau of the Budget and the report to the Committee on Appropriations, the problem still continued to grow so that when General Bradley went before the Deficiency Appropriations Committee he was unable in his first appearance to give the committee the facts that were necessary to determine how much of a deficiency appropriation should be made. It was some 2 weeks later—the actual date of his first appearance was February 11, and the second appearance March 17—before the Deficiency Committee could get the information upon which to base an appropriation. That appropriation was made and it was passed in the House. You voted for it. I have it before me. It was passed in the House on the 1st day of April 1947. It was passed in the Sen-

ate on April 24, 1947. Two days ago and before any notice of the press release of the Veterans' Administration came to the committee, a conference was called to meet this morning. The conference report on the first deficiency bill approves all the money for the Veterans' Administration. I hope it will come before the House today and that the House will adopt it so that this bill can go to the President and be signed and thus provide the money to take care of these several million veterans who will be expecting this check in the mail to take care of their rent and take care of their living expenses.

I want those veterans to know, and I hope the press will give it to the people of this country, that those veterans do not have to worry and they do not have to wire their Senators or their Congressmen. We have proceeded to furnish this money just as rapidly as the processes of legislation will permit and just as rapidly as the tremendously expanded program would permit the Veterans' Administration to give us the necessary information.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. PRICE of Illinois. Is that the \$350,000,000 which the committee said was not necessary in the deficiency appropriation?

Mr. KEEFE. That is part of the appropriation. The whole amount of this item is over eight hundred million. Why does the gentleman ask?

Mr. PRICE of Illinois. Because the committee at first said that was not necessary and I warned the House at the time that unless it was reinstated that this would happen.

Mr. KEEFE. That what would happen?

Mr. PRICE of Illinois. That the veterans would suffer by delay in their payments.

Mr. KEEFE. I do not recall any warning that the gentleman may have given. I do know that this House and all the Members on both sides want the veterans to receive the benefits of the GI bill, because, as a matter of fact, that \$350,000,000 was put into the bill on the floor of the House and adopted by the House, and when the bill went to the Senate it was agreed to, and whether the three hundred and fifty million was in or out of the bill did not have one single thing to do with bringing about the situation that now confronts the Veterans' Administration, and the gentleman from Illinois well knows it. The gentleman's question is the injection of a sour political note into this discussion.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has expired.

Mr. SPENCE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

*Be it enacted, etc.—*

#### TITLE I—AMENDMENTS TO EXISTING LAW

SECTION 1. (a) Sections 1 through 9, and sections 11 and 12, of Public Law 388, Seventy-ninth Congress, are hereby repealed, and

any funds made available under said sections of said act not expended or committed prior to the enactment of this act are hereby returned to the Treasury: *Provided*, That any allocations made or committed, or priorities granted for the delivery, of any housing materials or facilities under any regulation or order issued under the authority contained in said act, and before the date of enactment of this act, with respect to veterans of World War II, their immediate families, and others, shall remain in full force and effect.

(b) (1) Whenever the head of the department or agency designated to administer the powers, functions, and duties under title II of this act determines that there is a shortage, or that there is likely to be a shortage of building materials, he may by regulation or order require of any person or persons a permit as a condition of constructing any building or facilities to be used for amusement or recreational purposes.

(2) It shall be unlawful for any person to do or omit to do any act in violation of any regulation or order prescribed under authority of this subsection. Any person who willfully violates the provisions of this paragraph shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than 2 years, or to both such fine and imprisonment.

(3) As used in this subsection the term "person" has the meaning assigned to such term in title II of this act.

Mr. MONRONEY. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: Delete from line 5, page 2, of the bill the period and insert thereafter the following: "and provided further, That all the powers, duties, and responsibilities conferred by said sections shall continue in full force and effect until December 31, 1947, together with necessary funds thereunder, to permit the head of the department or agency designated to administer the powers, functions, and duties under title II of this act: (1) to continue allocations and priorities (a) for pig iron, shop-grade lumber or millwork, steel, phenolic molding compounds and resins for electrical wiring devices, and for bottleneck items needed by public service utilities and producers of housing and housing materials, (b) for Government-owned surplus, including temporary structures and utilities, and (c) to limit, on not more restrictive terms, nonessential construction and use of housing materials (including the requirement that a dwelling must be suitable for year-round occupancy, not exceed 1,500 square foot floor area, and have not more than one bathroom), (2) to use not more than \$65,000,000 of the \$400,000,000 previously authorized for access roads and premium payments, and (3) to carry out market guarantee contracts heretofore entered into."

And strike out on page 2 all of lines 6 to 13, inclusive.

Mr. MONRONEY. Mr. Chairman, this is the amendment about which I talked earlier in the day. It is an effort to try to put back into this bill something to help the veteran get housing.

I cannot see how this practically complete repeal of almost all the emergency provisions of the Veterans' Housing Act will help eliminate the critical housing shortage that millions of veterans are now undergoing.

By passing title I of this bill if you do not put my amendment in, you will strike out practically every single power the Federal Government has to channel any scarce material, repair parts, or raw products into the housing field no

matter how badly a veteran might need that scarce item to complete his house. No matter how much pinch the housing industry might feel in competition with the automobile industry or some other industry no governmental authority can help get houses.

There will be not one thing left in any legislation that will give the veterans' housing program one single bit of Federal allocation help. On top of that by passage of title I without my amendment, you put the veterans into competition with untold billions of unnecessary commercial construction that is now waiting to get started. We are now building each year \$3,000,000,000 of necessary commercial construction under present screening and limitations.

This necessary construction is approved by local committees, it is carefully screened not to interfere unnecessarily with veterans' housing. You can thus get the necessary commercial construction done. If you pass title I as it now is, you open the floodgates to many billions of unessential commercial construction without any limitation.

With the limitation that is in the bill as it stands today you can only prohibit construction for recreational and amusement purposes. But under this bill you are going to put the veteran into competition with gigantic commercial projects, despite the section written into the bill limiting only recreational and amusement parks. This is not going to protect the veteran, because there are hundreds of thousands of commercial projects, summer hotels, and beach houses, things like that, that will still be built.

I might add that this amendment has the approval of the American Legion housing committee. I talked to Colonel Taylor of the American Legion a few minutes ago. They are very much interested in it. It is on all fours with the program of the Veterans of Foreign Wars and with the program of the American Veterans' Committee. They were united in stating that we must have a minimum amount of restrictions in order to break bottleneck material situations if the veterans' housing program is to be a success.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. KEATING. I had a communication from the Veterans of Foreign Wars. In that they did not go as far as the gentleman does. The gentleman has a good deal of language in his amendment treating in great detail about the number of bathrooms various apartments shall have, and so on. Would the gentleman explain how that ties in?

Mr. MONRONEY. Yes. This spells out all the restrictions that the Government can use in administering this veterans' housing program, and thus it spells out those which are now being used.

I have the statements in my office, in which the American Legion, the American Veterans' Committee, and the Veterans of Foreign Wars, all came out in favor of every one of these restrictions. These restrictions spell the thing out, and Government can go no further.



These are all restrictions they can put in. We are asking for this minimum authority. I am spelling it out in order that they can do something for the veterans who need houses. I fear then you will go back home and the veteran will see automobile showrooms, eating houses and summer hotels going up and he will say: "It is a funny thing I cannot get material or labor to build a small house costing four or five thousand dollars." That house will be in competition with a five hundred thousand or a million dollar commercial project and the small house will be the last thing completed. They are in competition almost universally for labor and materials as well.

Mr. Chairman, I think my amendment should be added to the bill.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

Mr. Chairman, as I understand it, the purpose of the gentleman's amendment is to restore virtually all of the controls under the program which title I would abolish. We are very much interested in what the veterans have to say about this; nevertheless, we have an obligation to the veterans themselves, and we are in an impartial, noncompetitive field here which allows us to think clearly on the issue and analyze it from the standpoint of the national economy. Mr. Cadwallader, who represented the American Legion, is chairman of a committee named at the San Francisco convention to study this matter, and his committee did a splendid job in their study. He said before the committee that priorities were not worth anything, that what the veterans wanted was homes, that priorities would not keep off any rain. So this bill is designed to give the veterans priorities and homes and rental property. It gives him what he wants.

A group of veterans came before the committee, a housing group named by all of the veterans organizations in Michigan with the exception of the American Veterans Committee. The American Legion was represented, the Veterans of Foreign Wars of the United States were represented, the AMVETS and the DAV's were represented. Mr. George Lyle is the head of that committee. Here was a committee made up of all four of the organizations. Mr. Lyle in private conversation told me he thought we should remove all controls and by doing so get homes and rental properties, that the veterans were more concerned with renting homes than they were with the purchase of homes because if it became a question of paying a little higher rental for a short period of time and high prices for a home, the veteran would prefer to pay a little higher rental for a short period of time than to bind himself for 20 or 25 years, the constructive years of his life, to pay from \$75 to \$100 a month, for shelter which you and I could not afford when we were starting out and which these boys coming back from the war cannot afford at the present time.

Mr. Chairman, the thing which will lick this housing shortage is production. The thing which is going to lick inflation is production and the only way you can get production in this country is to remove the shackles which have prevented construction and which has only left us with this inflationary trend. We tried it out on commodities. I wonder how often the President wishes he had signed that first OPA bill which we sent down to him which would have kept prices under control but which would have encouraged production. Most of the leading economists in the Nation admit the only way we can bring prices and rentals down is by reasonably meeting the demand for commodities and for rentals. That is what we seek to do in this bill. We did not get sufficient homes last year under these controls. The veterans' organizations know that we did not get these homes under Federal controls. Some of them suggested particular controls should be continued as, for instance, cast-iron soil pipe. There is practically no shortage of cast-iron soil pipe, so that there is no more necessity for continuing controls over cast-iron soil pipe than over lumber in general, or roofing or cement blocks. This amendment should be defeated, because it is expressive of the contention of the opposition position which is to continue these controls. In considering this amendment this committee decides whether to continue controls or remove controls. I think you will find in a study of this bill that the Committee on Banking and Currency has given a balance program whereby nobody is going to suffer too much. Some have got to make some sacrifices for the common good. We cannot remove all the inequities by legislation. That is an administration job and this amendment should be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The question was taken; and on a division (demanded by Mr. MONRONEY) there were—ayes 48, noes 127.

So the amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: Page 2, line 12, after the word "for" insert the word "commercial" followed by a comma.

Mr. JAVITS. It will be noted, Mr. Chairman, that the section to which I propose an amendment is nothing but a section of authority. The section states that the officer charged with the administration of this whole title may by regulation require permits to be granted for certain types of construction with authority to institute controls if controls be found necessary.

Now, that authority, as the bill is written, is limited to structures for amusement or recreational purposes, and I propose that that authority be broadened. It does not mean it has to be employed, but that that authority be broadened to include commercial structures so that the officer administering this title may require permits for commercial, amusement, or recreational structures.

All of us know, and I alluded a little while ago in the time generously afforded to me by the chairman of the committee how every veteran feels when he goes into any city in the United States and sees office buildings and department stores being erected, and he knows that homes cannot be built because of the shortage of the very materials which are going into these commercial structures.

Mr. LODGE. The gentleman would not call a hotel a commercial structure, would he?

Mr. JAVITS. No; I would not.

Every one of us knows just how a veteran who has fought in the war feels when he sees a department store getting a new building, when we all know they could make it do for a little while longer. Yet he knows the stuff going into that new building could very well have been used to help in the home-construction program. Under the amendment I have proposed there would be authority—that is all that is asked—authority, if needed to require permits for commercial, as well as amusement and recreational structures. If it is found that any of these materials going into commercial construction could better be used in home construction, the authority would be there to adjust what is obviously a maladjustment. I really and honestly think that the committee might well accept this amendment and put it in the bill in order to complete the objectives which they undoubtedly had in mind when they gave this authority in the bill.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as I understand the gentleman's amendment, it would give the Administrator of this act the authority which is now contained in law to allocate all materials which are used in commercial construction, which means of course materials which are used in the manufacture of automobiles, home appliances, and many other things. I cannot think of any material right offhand that is not used in commercial enterprise in some manner or other.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. JAVITS. May I ask the gentleman whether the authority I propose to confer is any greater than the authority the bill itself confers on amusement or recreational structures?

Mr. WOLCOTT. Yes.

Mr. JAVITS. That is not my intention, I may say to the gentleman. It is my intention only to make the three equal, and that is all I do, I believe.

Mr. WOLCOTT. With the three equal, of course, you give equality to the amusement and the recreational facility along with an automobile factory, we will say, which would employ 40,000 or 50,000 people. I do not know that we want to equalize a beer garden with an automobile factory.

One of the reasons why the committee decided that it was not sound to continue the authority to allocate materials was that the Expediter virtually had the power in his hands to control the American economy through the allocation of materials. There was a time, and I

speaking advisedly on the matter, because of the conferences I had with the industry—where because of the stock piling of sheet steel by the Expediter in anticipation of building factories for the prefabrication of sheet-steel enameled homes—in anticipation of building factories; the sheet steel was to be used in the houses to be manufactured in the factories when and if the factories were built—three of the industries in this Nation, because of that practice, were up against the fact that they would have to put over 100,000 people out of employment within 3 weeks.

We have an obligation here to unfreeze this economy. Those of you who are shedding crocodile tears today have in mind that what we are doing is making it possible to balance the economy so that our workers in the factories will not be endangered by any of the mistakes which some bureaucrat makes down here in Washington.

There is a reasonably steady flow of materials into the market at the present time, so that industry and commerce and home building will have ample materials, but in protection against the criticism, in case there is a shortage of materials, that this building material is going into honky-tonks and beer gardens and racetracks, we have written this language in the bill, and it is good language. Before the authority can be exercised, the Administrator must find there is a shortage of materials. Then he can provide that a permit for building these nonessentials must be issued. To add the word "commercial" gives the Administrator unusually broad powers over the whole American economy.

Mr. Chairman, the amendment should be defeated because the gist of this whole program is to free the American economy so we can stabilize it and assist other countries to do likewise.

We must stabilize the economy of our country very quickly, Mr. Chairman, because the economies of 42 nations and the currencies of 42 nations are now tied to ours. We have an obligation now not only to ourselves but to the world to stabilize our economy, and the only way we can stabilize it is through production, production, and more production.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 35, noes 123.

So the amendment was rejected.

Mr. MacKINNON. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MacKINNON: On page 2, after line 13, before line 14, insert:

"(c) No tenant shall be removed from any housing accommodations by action to evict, or to recover possession, by exclusion of possession, or otherwise, upon claim by the landlord that substantial alterations or remodeling will be done unless the head of the department or agency designated to administer the powers, functions, and duties under title 2 of this act determines, (1) that such alterations are reasonably necessary to protect and conserve the property, and, (2) that the landlord does not seek thereby to

evict a tenant, thereby to secure a higher rental for the property."

Mr. WOLCOTT. Mr. Chairman, I make a point of order against the amendment. It may be germane to title 2 but I do not think it is germane to title 1.

The CHAIRMAN. Does the gentleman from Minnesota [Mr. MacKINNON] desire to be heard on the point of order?

Mr. MacKINNON. Yes.

The CHAIRMAN. The gentleman may proceed.

Mr. MacKINNON. The section in question deals with the authority to control rents, does it not?

Mr. WOLCOTT. No. That is why I make the point of order. The section has to do with certain restrictions upon the use of building materials.

Mr. MacKINNON. That is correct.

Mr. WOLCOTT. It has nothing to do with rents.

Mr. MacKINNON. Speaking on the point of order, Mr. Chairman, the country finds itself in a double-barreled situation today with respect to alterations and rent controls. Rents are controlled both by action of the Administrator administering the rent-control law and by action of the Civilian Production Agency controlling the distribution of materials for remodeling and altering rental properties. I am interested in seeing that the situation in that narrow field is not materially changed. Since this aspect of rent control is a double-barreled proposition, I half agree with the gentleman's point of order, but I think it is proper to insert the provision in either section. If the gentleman from Michigan, the chairman of the committee, would prefer to have the language in title II of the act, I will be glad to defer it until that time.

Mr. WOLCOTT. In title II, on page 19, there is a section of the bill devoted to eviction of tenants. I made the point of order that it was not germane at this particular point, but it might be germane with respect to section 209.

Mr. MacKINNON. I will defer to the chairman's wishes and withhold the amendment until we come to section 209.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

The Clerk read as follows:

SEC. 2. Title III of the Second War Powers Act, 1942, as amended, and the amendment made by such title III, shall, insofar as they authorize the making of allocations of building materials and of facilities relating to the utilization of building materials, cease to be in effect on the date of the enactment of this act.

SEC. 3. Section 603 (a) of the National Housing Act, as amended, is amended by striking out "June 30, 1947" wherever appearing therein and inserting in lieu thereof "March 31, 1948."

SEC. 4. Title VI of the National Housing Act, as amended, is amended by adding the following new section at the end thereof:

"SEC. 609. (a) In order to assist in relieving the acute shortage of housing which now exists and to promote the production of housing for veterans of World War II at moderate prices or rentals within their reasonable ability to pay, through the application of modern industrial processes, the Administrator is authorized to insure loans to finance the manufacture of housing (including advances on such loans) when such

loans are eligible for insurance as herein-after provided.

"(b) Loans for the manufacture of houses shall be eligible for insurance under this section if at the time of such insurance, the Administrator determines they meet the following conditions:

"(1) The manufacturer shall establish that binding contracts have been executed satisfactory to the Administrator, providing for the purchase and delivery of the number of houses to be manufactured with the proceeds of the loan;

"(2) Such houses to be manufactured shall meet such requirements of sound quality, durability, livability, and safety as may be prescribed by the Administrator;

"(3) The borrower shall establish to the satisfaction of the Administrator that he has or will have adequate plant facilities, sufficient capital funds, taking into account the loan applied for, and the experience necessary, to achieve the required production schedule;

"(4) The loan shall involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Administrator estimates will be necessary current cost of manufacturing such houses, exclusive of profit. The loan shall be secured by an assignment of the aforesaid purchase contracts for the houses to be manufactured with the proceeds of the loan, and of all sums payable under such purchase contracts, with the right in the assignee to proceed against such security in case of default as provided in the assignment, which assignment shall be in such form and contain such terms and conditions, as may be prescribed by the Administrator; and the Administrator may require such other agreements and undertakings to further secure the loan as he may determine, including the right, in case of default or at any time necessary to protect the lender, to compel delivery to the lender of any houses manufactured with the proceeds of the loan and then owned and in the possession of the borrower. The loan shall have a maturity not in excess of one year from the date of the note, except that any such loan may be refinanced and extended in accordance with such terms and conditions as the Administrator may prescribe for an additional term not to exceed one year, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 4 per cent per annum on the amount of the principal obligation outstanding at any time.

"(c) The Administrator may consent to the release of a part or parts of the property assigned or delivered as security for the loan, upon such terms and conditions as he may prescribe and the security documents may provide for such release.

"(d) The failure of the borrower to make any payment due under or provided to be paid by the terms of a loan under this section, or the failure to perform any other covenant or obligation contained in any assignment, agreement, or undertaking executed by the borrower in connection with such loan, shall be considered as a default under this section, and if such default continues for a period of 30 days, the lender shall be entitled to receive the benefits of the insurance hereinafter provided upon assignment, transfer, and delivery to the Administrator within a period and in accordance with the rules and regulations prescribed by the Administrator of (1) all rights and interest arising with respect to the loan so in default; (2) all claims of the lender against the borrower or others arising out of the loan transaction; (3) any cash or property held by the lender, or to which it is entitled, as deposits made for the account of the borrower and which have not been applied in reduction of the principal of the loan; and (4) all records, documents, books, papers, and accounts relating



to the loan transaction. Upon such assignment, transfer, and delivery, the Administrator shall, subject to the cash adjustment provided for in section 604 (c), issue to the lender debentures having a face value equal to the unpaid principal balance of the loan.

"(e) Debentures issued under this section shall be issued in accordance with the provisions of section 604 (d) except that such debentures shall be dated as of the date of default as determined in subsection (d) of this section and shall bear interest from such date.

"(f) The provisions of section 207 (k) and 603 (a) of this act shall be applicable to loans insured under this section, except that as applied to such loans (1) all references in section 207 (k) to the 'Housing Fund' shall be construed to refer to the 'War Housing Insurance Fund' and (2) the reference in section 207 (k) to 'subsection (g)' shall be construed to refer to 'subsection (d)' of this section; (3) the references in section 207 (k) to insured mortgages shall be construed to refer to the assignment or other security for loans insured under this section; and (4) the references in section 603 (a) to a mortgage or mortgages shall be construed to include a loan or loans under this section.

"(g) Notwithstanding any other provision of law, the Administrator shall have the power to assign or sell at public or private sale, or otherwise dispose of, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of insurance heretofore or hereafter granted under this section, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such insurance until such time as such obligations may be referred to the Attorney General for suit or collection.

"(h) The Administrator shall fix a premium charge for the insurance granted under this section, but such premium charge shall now exceed an amount equivalent to 1 percent of the original principal of such loan, and such premium charge shall be payable in advance by the financial institution and shall be paid at such time and in such manner as may be prescribed by the Administrator. In addition to the premium charge herein provided for, the Administrator is authorized to charge and collect such amounts as he may deem reasonable for examining and processing applications for the insurance of loans under this section, including such additional inspections as the Administrator may deem necessary."

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the obvious error at the bottom of page 7, line 25, be corrected, and that the word "not" be substituted for the word "now."

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: On page 3, line 9, strike out all of line 9, down to and including the word "necessity" in line 10 on page 8.

Mr. SMITH of Ohio. Mr. Chairman, my amendment would strike out of the bill the section that provides for Government financing manufacturers of prefabricated houses. The section also provides for the financing of the finished product through FHA loans. This arrangement is tantamount to the Government guaranteeing a market for manufacturers of such houses. We had a

mandate from the people to remove controls and to take the Government out of business.

I do not believe the American people intended that this Congress should pass legislation to put the Government further into the housing business, or any other business. The section in the bill does just the reverse and my amendment would strike out that section.

The proponents of the provision which I am seeking to strike from the bill have contended that the provision would revolutionize the housing-construction industry. It should be understood that the materials for the construction of the houses under this provision would not be of the conventional type but would be composed mostly of steel and other unusual home-building materials. There is no objection to revolutionizing housing if it is done with private money under competition. There is serious objection to the Government revolutionizing the housing industry with the power of the Federal Treasury.

I trust the House will support my amendment.

Mr. SUNDSTROM. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. SMITH].

Mr. Chairman, the amendment merely strikes out one section of the bill which I feel is one of the very important sections in the bill. We are talking about rent controls. I believe all of us feel that the one real method of getting rid of rent control, which we are trying to do, is to produce more houses at a moderate cost.

We had guaranteed markets, and what did those guaranteed markets do? They said that the Administrator could take a plant that was manufacturing a home or building a home in a factory and he would guarantee to buy them. I did not like that section and I do not think a lot of us did. They are trying to compare this wording with that particular section.

In this section we say to a man who is manufacturing a home or building a home: "We are going to build this house. We are going to give you an order for it, but instead of giving you the order to build it out on this site, we are going to give you, the builder, a chance to build it in your factory." When he is building that house in that factory he is going to build them in large quantities, he is going to have large inventory costs, and we are going to say to him: "You are going to need money to finance your working capital, to finance the purchase of material you will put in this house," just the same as the legitimate builder does when he builds a house. So we say to him: "Go to your local bank." And remember that.

We say to this builder, "You have orders for these homes; binding contracts. You go to your local bank. You borrow the money and the bank then has the privilege of going to the FHA under title VI and have that loan guaranteed." There is no Government money put up. But, in order to get that guaranty, these houses must meet requirements. They must be livable, they must be durable, and if that house meets those re-

quirements, then the local bank makes the loan and the FHA guarantees it.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. Is it not true that that provision in the bill will make it possible to actually produce prefabricated homes? At least, that is my impression of the amendment, and I know that the gentleman sponsored the amendment before the committee. I think it is one of the real constructive paragraphs in this bill and I would like to commend the gentleman for having had that provision incorporated in the bill.

Mr. SUNDSTROM. I thank the gentleman.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield to the gentleman from New York.

Mr. KEATING. Is this what is known as the Sundstrom amendment? I have had a large number of communications speaking in highest terms of the Sundstrom amendment. I would like to know if that is what this is.

Mr. SUNDSTROM. I think that is what they call it.

Let me say this, that we hear about revolutionary ideas in building. What is wrong with a new idea if it is a good one? If somebody can build a better house for me for less money, I want to see him come forth with it, and any conventional builder, any man in the business today that is worrying, you can say to him, "My boy, you do not have to worry a bit if you can build a better house for the same amount of money," because these houses are not going to be financed unless they can meet the public demand. They cannot get any money from the local bank or the Government until they have sold them, and the people are not going out and buy shoddy houses, and they are not going to pay six or eight or ten thousand dollars for shacks. They are going to want their money's worth, and this amendment only gives them a chance, and they have to build a house that is livable and that meets all the requirements.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Is it not a fact, after all, that the provision by the Government to these prefabricated house manufacturers of funds to finance their business plus FHA loans, virtually makes this a guaranteed proposition?

Mr. SUNDSTROM. Well, I might say to the gentleman that I had this question asked me in the committee.

Mr. SMITH of Ohio. I did not finish the question. What I meant to say was:

That is tantamount to guaranteed markets.

Mr. SUNDSTROM. No; it is not at all, if the gentleman had listened to my explanation. And, I might say that we had this question up in committee. We considered it. We had Ray Foley, the Administrator, look this over.

Dr. SMITH said to me one day in committee, "Why, you are backing some industrialist and putting him in business with Government money." And I said, "No, I am not at all, because he has to have plant and equipment," and I said to him, "Dr. SMITH, if you get \$10,000,000 tomorrow, I will start in this business with you." Every man has a fair chance.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield to the gentleman from California.

Mr. FLETCHER. Is it not a fact that it is because of the lack of venture capital in the United States at the present time that you are particularly anxious to have this amendment passed; that it is necessary to have these manufacturers with bona fide sales go to the bank and get an industry loan, and thereby make possible this creation of low-cost housing which is going to be the very thing that will solve our problem today in rent control?

Mr. SUNDSTROM. I would say that I like to agree to that. You have to compare this to a conventional builder. We will say that I am a conventional builder and I am permitted to build 10 houses, and I go out and I start building those 10 houses. I have some 90-percent completed; I have some 80-percent completed; I have some I am just starting, but I run out of capital. I do not have any more money, so what will I do? I go to the local bank and I say to them, "I have 10 houses under construction. I want to build 10 more but I need some financing, I need some help, I need a loan." The bank gives me that loan, as they do. I am building those houses on the site. There is not a great deal of difference if I am building houses in a factory instead of building them on the site except that it is a little faster. I have orders for a lot of houses, and I am running shy on capital and I go to the local bank. I say, "I want some financing." He says, "Well, what have you got to show for it?" I say, "I have some houses 90-percent complete, some 70-percent complete, some 60-percent complete, and some just started," just the same as a conventional builder. I say to him, "I want to borrow money on those houses." He says, "All right, I am going to give it to you, only in this particular case we are lending only 90 percent of the cost of the house," which is only about 50 percent of the cost of the completed, erected house on the site.

I know you have had letters from the Veterans of Foreign Wars. I should like to read a paragraph from a letter I got from them:

For several months my organization has believed that one solution to low-cost housing would be by using mass-production methods in the building of homes. Certainly, mass production has proven itself in every other phase of the American industry, and we see no reason why this should not hold true in the home-building industry.

try. As we see it, the Sundstrom amendment would place factory producers of homes on the same financing basis with conventional home builders. And, by allowing FHA financing to factory producers, it will, in our opinion, encourage the production of quality homes costing between \$5,000 and \$8,000. Surely no one could quarrel with an amendment such as you have suggested. We offer our wholehearted cooperation in your endeavor.

We have heard an awful lot of talk about what we are trying to do for the veteran, we have heard a lot of talk about what we are trying to do for those people who have to double up and live with their in-laws, we have heard a lot of complaint by people who pay too much rent and want a cheaper place. My solution is just this: If we can produce enough homes at a moderate cost so that we can say to those three groups of people, "If you do not like where you live, here is a house you can buy or own for about \$50 or \$60 a month or maybe less," then if they say, "I would rather pay \$300 where I live rather than pay that cost," they cannot complain very much. The person who is doubling up with his in-laws is going to have a choice whether he wants to pay the present cost of living or go out and buy one of these houses at a cost that he can meet.

If this meets FHA approval it means that it has to be a house that is durable. They lend money on houses that are going to last 15, 20, or 25 years, and they are not going to approve what we like to term chicken coops. The fact is, that is the one reason I have been so much against this FPHA housing program; it has not met the requirements and given people a decent place to live.

Mr. Chairman, I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 16, noes 129.

So the amendment was rejected.

Mr. MATHEWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time solely for the purpose of asking the chairman of the committee or my distinguished colleague from New Jersey, whose amendment I am very much in favor of, if they can clarify the language on page 4, subsection 4:

The loan shall involve a principal obligation in an amount not to exceed 90 percent of the amount which the Administrator estimates will be the necessary current cost of manufacturing such houses, exclusive of profit.

I do not understand what that "exclusive of profit" means. It cannot mean the profit of the manufacturer himself because when he borrows the money he cannot possibly know what his profit will be. I am a little afraid it may be interpreted to mean the profits of the subcontractors, in which it would cut down the 90 percent that he could borrow. I do not understand that language.

Mr. SUNDSTROM. Mr. Chairman, will the gentleman yield?

Mr. MATHEWS. I yield.

Mr. SUNDSTROM. If you will follow the thing, in the first place a man cannot get a loan until he has a binding contract for the purchase of the house at a price which has already been set.

Mr. MATHEWS. In every case?

Mr. SUNDSTROM. In every case. He cannot borrow money until the house is sold, and then he goes to the local bank. He tells the bank what his costs are, and he can only borrow 90 percent of his costs. Of course, he cannot finance his profits in any sense of the word.

Mr. MATHEWS. Of course, the cost could not include profits in any event.

Mr. SUNDSTROM. It is only the cost, which in most cases would be about 50 percent of the building.

Mr. MATHEWS. If that is the real explanation of it, the rest seems to be surplusage, but I accept the explanation.

The CHAIRMAN. The time of the gentleman has expired.

The pro forma amendment is withdrawn.

Mr. MCCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in view of the action taken by the Committee of the Whole with reference to section 1, in keeping this section in the bill and having in mind the confusion that exists among members of the committee itself where a majority may agree on this provision and another majority on another provision and another majority on another provision, but no majority on the whole bill, when the motion is made to recommit the bill it is my intention to vote for that motion and send this bill back to the committee in the hope that further consideration by the committee will result in reporting out a bill that will more satisfactorily represent the will of the majority of the committee and the will of the majority of the House so far as the entire bill is concerned.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. MCCORMACK. I yield.

Mr. WOLCOTT. I call the attention of the gentleman to the fact that there was not too much dispute in the committee. It was reported out of the committee by a vote of 20 to 3 and 2 answering present.

Mr. MCCORMACK. The gentleman's observation is most pertinent except for the valuable evidence of what went on on the floor today of the various members of the committee expressing themselves one way and the other. What are my serious objections? I seriously object to a provision of the bill which takes away control at this time, on nonessential construction. We can argue all we want to about free competition and the law of supply and demand, but when the demand is many times more than the supply, unless control of some kind exists we are going to have inflation and we are going to have a rapidly rising market and that will seriously interfere with doing the first job that confronts the people of the country today and the Congress from a domestic angle, and that is the building of homes and residences. Only last year we passed the Patman bill stating that there was an emergency existing in relation to veterans and their inability to get homes. By this bill, for all practical



purposes, we are repealing the provisions of the Patman bill and taking away all controls so far as nonessential construction is concerned and placing those who want to build a home, and that includes the veterans, in a position where they must compete with industry in trying to get the materials to build their homes when industry might be engaged in non-essential construction—construction important at some later date, but in competition with homes now it is construction that should be deferred until some later time.

This is a matter of such vital importance to millions of people throughout the country, veterans in particular, who are given preference and priorities, that we should recommit this bill to the committee for further consideration of that important subject alone.

It seems amazing to me that with all the veteran organizations opposing this provision, that a majority of the members of the Committee on Banking and Currency failed to give any kind of consideration to the position taken by representatives of the veterans' organizations and of the veterans' organizations themselves.

Furthermore, the 15-percent increase in rent is something that should be given further consideration. I recognize the force of the arguments of those who say that the landlord has made great sacrifices. There is no question about that. On the other hand, when there is a shortage somebody has to make sacrifices for the common good. On the one hand, where there is a certain bank and the demand is many times greater than the supply, unless there is control somewhere we are going to have inflation as a result of that demand, which is many times more than the available supply. Then, unless we have some method of rationing or control, we are going to have dissatisfaction all along the line.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. McCORMACK. We must realize that the landlord has made sacrifices, but it has been in the common interest and for the general welfare. I cannot speak for other sections of the country, and this is no indictment of landlords, but it is a statement of fact: Up in my section of the country the landlord has been making very few repairs in any of the places where tenants live. Furthermore, the average landlord figures on his income and his rentals, 2 months' vacancies each year. They have had continuous occupation. There have been little if any repairs made. In 98 percent of the cases there have been no repairs made in houses where tenants have lived during the last 4 or 5 years.

The landlord has made sacrifices, but on the other hand the landlord has gained benefits which are of a compensatory nature. Under those conditions, where the demands for apartments are much greater than the apartments available, unless we have some kind of con-

trol, we will have inflation in rents which, with the sharp increase in cost of living, will bring about decidedly unsatisfactory conditions.

Because of the veterans' situation, because of section 1, which is absolutely wrong at this time, and which should be considered further, and because of the provision relating to the 15-percent increase where an agreement is made—and you know what the agreement will be; it will be an agreement where the tenant in most cases will have to submit in order to keep his apartment—because of the weakness of those two provisions and their paramount importance in legislation of this kind, when a motion to recommit is made it is my intention to vote for it.

I took the floor briefly to express the reasons why I am going to vote for the motion to recommit.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

The pro forma amendments were withdrawn.

The Clerk read as follows:

Sec. 5. (a) In order to assure preference or priority to veterans of World War II or their families—

(1) no housing accommodations consisting of a dwelling designed for a single family residence, the construction of which is completed after the date of enactment of this title and prior to March 31, 1948, shall be sold or offered for sale, prior to the expiration of 30 days after construction is completed, for occupancy by persons other than such veterans or their families; and

(2) no housing accommodations, designed for occupancy by other than transients, the construction of which is completed after the date of enactment of this title and prior to March 31, 1948, shall be rented or offered for rent, prior to the expiration of 30 days after construction is completed, for occupancy by persons other than such veterans or their families.

(b) This section shall cease to be in effect whenever the President proclaims that the protection to such veterans and their families provided by this section is no longer needed.

(c) For purposes of this section (1) the head of the department or agency of the Government designated to administer the powers, functions, and duties under title II of this act shall prescribe by regulations the time as of which construction of housing accommodations shall be deemed to be completed, and (2) the terms "person" and "housing accommodations" shall have the meaning assigned to such terms in title II of this act.

(d) Any person who willfully violates any provision of this section shall, upon conviction thereof, be subject to a fine of not more than \$5,000 or to imprisonment for not more than 1 year, or to both such fine and imprisonment.

Mr. MONRONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: On page 9, strike out lines 7 to 14, inclusive, and insert:

"(c) For the purposes of this section the head of the department or agency designated to administer the powers, functions, and duties under title II of this act shall prescribe by regulations: (1) The time as of which construction of housing accommodations shall be deemed to be completed, (2) that such housing accommodations shall, for said 30 days, be publicly offered in good faith, for sale or rental to veterans of World War II, at prices and terms no less favorable than to others during such period and

thereafter, and (3) exceptions to this section for hardship cases: *Provided*, That nothing contained in this act shall affect or remove any veterans' preference requirements heretofore established under Public Law 388, Seventy-ninth Congress, and outstanding with respect to housing accommodations completed prior to the date of enactment of this title. The terms 'persons' and 'housing accommodations' shall have the meaning assigned to such terms in title II of this act."

Mr. MONRONEY. Mr. Chairman, this amendment merely seeks to tighten up and make effective a genuine guaranty that the veteran will have first chance at the completed housing that is built under this act and pursuant to it. If you will turn to the bill and read page 8, line 13, you will find the following:

No housing accommodations consisting of a dwelling designed for a single family residence, the construction of which is completed after the date of enactment of this title and prior to March 31, 1948, shall be sold or offered for sale, prior to the expiration of 30 days after construction is completed, for occupancy by persons other than such veterans or their families.

Obviously, we have left a loophole a mile wide for evasion and people will blame the Congress for leaving it. Under the bill as it stands, builders do not have to sell to a veteran. If they do not sell to a veteran, they will still not be in conflict with the law because all they have to do is to let the house stand vacant and unsold for 30 days.

Then they can sell it to whomsoever they desire and there is no violation of the law if you just wait that 30 days.

I know the chairman wants to make these houses available to veterans.

In substance all my amendment does is to add to the section that is stricken these words:

That such housing accommodations shall for said 30 days be publicly offered in good faith for sale or rental to veterans of World War II at prices and terms no less favorable than to others during such period and thereafter.

Is that expecting too much to guarantee that the veterans themselves will have an honest first chance to buy at prices and terms no less favorable than to other people, the housing that is built?

Bear in mind there is a demand for this housing. But here you only say that the builder need wait only 30 days without being compelled to sell that house to a veteran, without ensuring that he must offer it at public sale and at publicly announced terms to the veteran.

You have got no veterans' guaranty in the act as it is written that would give the veteran one single bit of help in getting this scarce housing that he needs.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. KEATING. I am sure the chairman of the committee who was a former departmental commander of the Veterans of Foreign Wars in Michigan wants to do everything for the veterans. I am much impressed with the particular point to which the gentleman from Oklahoma is now addressing himself, but the gentleman paints with such a broad

brush, will he tell us what the other provisions he put in his amendment do?

Mr. MONRONEY. I may say to the gentleman that it is practically all in the bill. The only thing that changes section 2 that is stricken out is the language that I just read in paragraph 2:

That such housing accommodations shall for said 30 days be publicly offered in good faith for sale or rental to veterans of World War II at prices and terms no less favorable than to others during such period and thereafter.

It picks up all of the rest of this section but it does nail down one other thing which the Chairman in the committee hearings said he wanted nailed down.

That is, to continue the existing ceilings on houses that were built with veterans' priorities. I know the chairman wants to do that. He has put it in the legislative history of the act that he wants these houses that have been built under the veteran priorities to be forced to be sold, those that are completed, at the ceilings that were placed on them.

All this does is to tighten up and make effective the stump speech that is now in the bill. I do not think the Congress wants to hand the veterans a sleeper that will mean absolutely nothing and permit widespread evasion. We do not want builders to wait 30 days after the house is completed, then sell it to a brother-in-law or somebody else simply because he has complied with the law by waiting 30 days after the house is completed before selling to a nonveteran.

Mr. Chairman, I hope the committee will accept my amendment.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MACKINNON. Mr. Chairman, I offer an amendment as a substitute for the Monroney amendment.

The Clerk read as follows:

Amendment offered by Mr. MACKINNON: Page 9, line 2, after the word "families" strike the period and add the following: "; and

"(3) no housing accommodations consisting of a dwelling designed for a single-family residence, the construction of which is completed after the date of enactment of this title and prior to March 31, 1948, shall be sold or offered for sale to any person at a price less than the price for which it is offered to veterans or their families; and

"(4) no housing accommodations, designed for occupancy by other than transients, the construction of which is completed after the date of enactment of this title and prior to March 31, 1948, shall be rented or offered for rent, at a price less than the price for which it is offered for rent to veterans and their families.

"(5) During the 30-day period referred to in subsections (1) and (2) the availability of such housing accommodations for sale or rental to veterans or their families shall be advertised at least four times on four separate days in some newspaper of general circulation which is distributed in the general vicinity of the place where the housing accommodations are situated, and such advertisement shall include a statement that veterans and their families have priority in the sale or rental of such housing accommodations."

Mr. MACKINNON. Mr. Chairman, this amendment, offered as a substitute for the Monroney amendment aims at exactly the same hole in the bill that the Mon-

rony amendment shoots at; however, in my opinion it is more explicit and in some respects it goes a little farther.

My suggested amendment provides in substance that these properties cannot be sold at a higher price than they are offered to a veteran. I think it is apparent that widespread abuses will crop up under this act. These abuses presently exist. Houses are built, they are kept for 30 days with veterans being unable to learn of their availability and then they are sold to persons other than veterans.

Section (5) of my amendment seeks to guarantee a public sale. My objective is the same as the gentleman from Oklahoma in this respect and provides that during the 30-day period that homes are held for veterans that a public offering will be made in the newspapers in the locality where the house is located. During this time the advertising sections of your newspapers will carry notices in the form of advertisements stating that veterans have priorities in the purchase or rental of all homes that are covered by this section of the law.

The amendment is simple and direct. I do not think it needs a great deal of elaboration. It is aimed at an abuse which presently exists and which is sure to continue, in my judgment, unless we provide this machinery to correct it.

I hope that the chairman of the committee will favor this amendment.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. MACKINNON. I yield to the gentleman from Minnesota.

Mr. O'HARA. I appreciate and sympathize with the idea of getting publicity on the sale of these houses. Does the limitation of four publications mean that they might be run on four separate dates in any 1 week or four separate weeks?

Mr. MACKINNON. On any of four separate days during the 30-day period.

Mr. O'HARA. I thank the gentleman.

Mr. CLASON. Mr. Chairman, will the gentleman yield?

Mr. MACKINNON. I yield to the gentleman from Massachusetts.

Mr. CLASON. What effect will the gentleman's amendment have on a prefabricated house? The man has not got it built and he gets a loan of 90 percent to start up his plant before he gets going, and he has to have a contract, and according to the gentleman's statement, before he sells the house he has to advertise it four times and he has not built the house yet.

Mr. MACKINNON. The 30-day provision of my amendment only refers to the particular provisions of the law that seek to guarantee homes for veterans and to that 30-day period when they are held for veterans under subparagraphs (1) and (2) of section 5 (a) of the bill.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. MACKINNON. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I am greatly impressed by the gentleman's amendment. It goes further than my amendment does in attempting to insure priorities for veterans on these completed houses, and I urge the House to adopt his amendment instead of mine, because I believe it

would more nearly answer and nail down tight the guaranty that the veteran would get these houses.

Mr. MACKINNON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks as well as the remarks I previously made in the Committee of the Whole.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this attempts to restore in a limited way preference for veterans of this past war. I think the language is too loosely drawn for that purpose in order to be effective.

I invite your attention to the fact that this language and the language of the gentleman who just introduced the amendment only refers to houses that are completed after the passage of this act. In other words, if you were a United States district attorney and someone would come to you and make a complaint under the terms of this bill as written, or as amended, the district attorney would say, "Well, can you say that the house was completed when it was sold to a nonveteran?" And if the complainant should say, "No, the house was not completed; it was lacking in certain things"—and very few houses are completed now; they are lacking in certain things—then the district attorney would say, "Under the law that Congress wrote this person cannot be prosecuted because the House is not actually completed."

So you do not have an effective veterans' preference written into this law. There is a way to evade it, and, naturally, you expect people to adopt methods that will not bring them within the terms of a criminal act.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Texas.

Mr. LYLE. As a matter of fact, a great deal of the measures that we have been discussing here today, in my judgment, are more calculated to get votes than they are houses for veterans.

Mr. PATMAN. This is just one of the things in the bill that I invite your attention to that is very confusing; not only confusing, but will be wholly ineffective and will be absolutely worthless, promising the veteran something that cannot be enforced at all. Now, if we want to give them real veterans' preference we should go back to the original act and restore that.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Arizona.

Mr. MURDOCK. Down in our Southwest there are old Spanish missions with two towers, one of which on each is uncompleted, and that was because the builders tried to evade a provision of law and escape taxation. Does the gentleman mean to imply now that by reason of this amendment that there will likely be a lot of houses uncompleted in some minor detail?



Mr. PATMAN. We would expect that to happen. We should expect people to do things that will not bring them within the terms of a criminal act.

When this bill is reported to the House, I expect to offer a motion to recommit, just a straight motion to recommit it to the committee for the purpose of correcting just such loopholes as I have invited your attention to in this one particular instance.

Mr. WOLCOTT. Mr. Chairman, as I understand the MacKinnon amendment, it makes certain that these properties must be offered to the veteran for sale at no higher price than they are offered to the nonveteran later on, and that the property must be advertised for rent and offered to the veteran. I believe that is in keeping with what the committee intended to do. I understand the gentleman from Oklahoma suggests that we accept the MacKinnon amendment in lieu of his amendment. With that understanding, I think the MacKinnon amendment is quite satisfactory.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. I wonder if the amendment does not go a little further than the gentleman intends there in freezing the price that the house shall be sold for until March 31, 1948. It means freezing it at a certain price.

Mr. WOLCOTT. It surely is not the understanding that it will do that. If it does, there will be a correction. I think it makes clear what we intend to do. If it does what we intend to do, I think it is perfectly all right to accept the amendment.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Minnesota [Mr. MAC-KINNON] to the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The question was taken; and on a division (demanded by Mr. MAC-KINNON) there were—ayes 107, noes 31.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY], as amended by the substitute amendment. The amendment as amended was agreed to.

Mr. SPENCE. Mr. Chairman, a parliamentary inquiry.

I would like to know what the intention of the Committee is with reference to completing the consideration of the bill.

The CHAIRMAN. The gentleman from Kentucky does not state a parliamentary inquiry, but perhaps the gentleman from Michigan [Mr. WOLCOTT] may answer the gentleman.

Mr. WOLCOTT. Mr. Chairman, I thought if we might finish title I tonight

I would move that the Committee rise. If there are no further amendments to title I, I suggest that the Clerk read in the interest of orderly procedure and that will, of course, close the debate on title I, and after the first section of title II is read I will ask that the committee rise.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

#### TITLE II—MAXIMUM RENTS

##### DECLARATION OF POLICY

SEC. 201. (a) The Congress hereby reaffirms the declaration in the Price Control Extension Act of 1946 that unnecessary or unduly prolonged controls over rents would be inconsistent with the return to a peacetime economy and would tend to prevent the attainment of the goals therein declared.

(b) The Congress therefore declares that it is its purpose to terminate at the earliest practicable date all Federal restrictions on rents on housing accommodations. At the same time the Congress recognizes that an emergency exists and that, for the prevention of inflation and for the achievement of a reasonable stability in the general level of rents during the transition period, as well as the attainment of other salutary objectives of the above-named act, it is necessary for a limited time to impose certain restrictions upon rents charged for rental housing accommodations in defense-rental areas.

(c) To the end that these policies may be effectively carried out with the least possible impact on the economy pending complete decontrol, the provisions of this title are enacted.

Mr. WOLCOTT. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JENKINS of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3203) relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 338, Seventy-ninth Congress, and for other purposes, had come to no resolution thereon.

#### GENERAL LEAVE TO REVISE AND EXTEND REMARKS

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that all members who spoke today in Committee of the Whole on the bill H. R. 3203 may have five legislative days in which to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

#### DEFICIENCY APPROPRIATION BILL—CONFERENCE REPORT

Mr. TABER, from the Committee on Appropriations, submitted the following conference report and statement on the bill (H. R. 2849) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, for printing in the RECORD:

##### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2849) making appropriations to supply deficiencies in certain appropriations for the

fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 25, 26, and 79.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 33, 37, 38, 39, 40, 43, 44, 45, 46, 47, 48, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, and 78; and agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows:

In line 7 of the matter inserted by said amendment strike out the figure "\$20,000" and insert in lieu thereof "\$15,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$282,500"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$626,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$60,825"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$200,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$350,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$260,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$2,934,425"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$4,000,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$350,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amend-

ment insert "\$164,631,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$17,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment amended to read as follows: "Provided, That not exceeding \$42,000,000 of the funds appropriated under this head shall be available for providing the necessary water transportation and transportation facilities including surplus ships which may be made available"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,925,675"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$4,529,350"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 42.

JOHN TABER,  
ALBERT J. ENGEL,  
KARL STEFAN,  
FRANCIS CASE,  
FRANK B. KEEFE,  
CLARENCE CANNON,  
JOHN H. KEER,

*Managers on the Part of the House.*

STYLES BRIDGES,  
C. WAYLAND BROOKS,  
CHAN GURNEY,  
JOSEPH H. BALL,  
KENNETH MCKELLAR,  
CARL HAYDEN,  
M. E. TYDINGS,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2849) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

#### TITLE I. GENERAL APPROPRIATIONS

Amendments Nos. 1 to 6 inclusive, relating to the Senate, provide additional amounts for furniture and repairs, \$5,000; for Senate restaurants, \$30,000; for mail transportation, \$4,500; for stationery for Senators, \$29,100; and installation of new telephone equipment, as proposed by the Senate.

Amendment No. 7 appropriates \$408,743 for the Panama Canal construction annuity fund, Civil Service Commission, as proposed by the Senate.

Amendment No. 8 appropriates \$55,000 for certification services, Food and Drug Administration, as proposed by the Senate, instead of \$40,000 as proposed by the House.

Amendment No. 9 appropriates \$275,364 for salaries, Howard University, as proposed by the Senate.

Amendment No. 10 appropriates \$600,000 for payments to States, Vocational Rehabilitation Act, as proposed by the Senate.

Amendments Nos. 11 and 12 appropriate \$762,181.66 for payment of damage claims, Public Roads Administration, as proposed by the Senate, instead of \$742,814.77 as proposed by the House.

Amendment No. 13 appropriates \$15,000 for the Indian Claims Commission instead of \$20,000 as proposed by the Senate.

Amendment No. 14 appropriates \$60,800 for arbitration, emergency and emergency panel boards, National Mediation Board, as proposed by the Senate.

Amendment No. 15 appropriates \$10,430 for salaries and expenses, National Gallery of Art, as proposed by the Senate.

Amendments Nos. 16 and 17 appropriate \$282,500 for control of tree insect epidemics, instead of \$250,000 as proposed by the House and \$315,000 as proposed by the Senate, and eliminates language proposed by the House to restrict the area in which appropriation could be expended.

Amendment No. 18 appropriates \$10,000 for the Philadelphia National Shrines Park Commission as proposed by the Senate.

Amendments Nos. 19 and 20 appropriate \$50 for a damage claim, Department of Justice, as proposed by the Senate.

Amendment No. 21 increases limitation on amount available for printing and binding for the War Labor Board, fiscal year 1946, from \$30,000 to \$49,000 as proposed by the Senate.

Amendments Nos. 22, 23, and 24 appropriate \$111,136.06 for damage claims, Navy Department, as proposed by the Senate, instead of \$20,509.56 as proposed by the House.

Amendments Nos. 25 and 26 increase, by transfer, amount available for salaries, Hydrographic Office, by \$200,000 as proposed by the House, instead of \$217,000 as proposed by the Senate.

Amendment No. 27 increases, by transfer, amount available for salaries, Office of the Secretary of the Navy, by \$626,000, instead of \$600,000 as proposed by the House and \$652,000 as proposed by the Senate.

Amendment No. 28 increases, by transfer, amount for salaries, Office of Judge Advocate General of the Navy, by \$60,825, instead of \$50,000 as proposed by the House and \$71,650 as proposed by the Senate.

Amendment No. 29 increases, by transfer, amount for salaries, Office of Director of Naval Communications, by \$200,000, instead of \$100,000 as proposed by the House and \$216,800 as proposed by the Senate.

Amendment No. 30 increases, by transfer, amount for salaries, Bureau of Naval Personnel, by \$350,000, instead of \$275,000 as proposed by the House and \$425,000 as proposed by the Senate.

Amendment No. 31 increases, by transfer, amount for salaries, Bureau of Ordnance, Navy, by \$260,000, instead of \$250,000 as proposed by the House and \$318,350 as proposed by the Senate.

Amendment No. 32 corrects a total.

Amendment No. 33 corrects the title of an appropriation as proposed by the Senate.

Amendment No. 34 increases, by transfer, the amount available, Medical Department, Navy, by \$4,000,000, instead of \$3,862,000 as proposed by the House and \$4,392,000 as proposed by the Senate.

Amendment No. 35 increases, by transfer, amount for salaries, Bureau of Ships, Navy, by \$350,000, instead of \$200,000 as proposed by the House and \$691,700 as proposed by the Senate.

Amendment No. 36 corrects a total.

Amendment No. 37 corrects the title of an appropriation as proposed by the Senate.

Amendments Nos. 38 and 39 correct a printing error.

Amendment No. 40 appropriates \$10,000 for salaries, Office of the Solicitor, Post Office Department, as proposed by the Senate.

Amendment No. 41 makes \$17,000 (instead of \$15,000 as proposed by the House and \$20,-

000 as proposed by the Senate) for attendance of delegates at the Congress of the Universal Postal Union.

Amendment No. 42 reported in disagreement.

Amendment No. 43 appropriates \$1,769,400 for manufacture of stamps, Post Office Department, as proposed by the Senate instead of \$1,600,000 as proposed by the House.

Amendment No. 44 increases limitation on amount available for personal services in the District of Columbia for the Post Office Equipment Shops, from \$869,500 to \$932,800, as proposed by the Senate.

Amendments Nos. 45, 46, and 47 appropriate \$201,375.28 for damage claims, War Department, as proposed by the Senate instead of \$154,130.77 as proposed by the House.

Amendment No. 48 appropriates \$1,000,000 (under the heading, "Pay of the Army") for transportation by air to the United States of war spouses and their children, as proposed by the Senate.

Amendment No. 49 limits the amount available for water transportation of relief supplies, etc., in the appropriation, "Government and relief in occupied areas, Army," to \$42,000,000, instead of \$60,000,000 as proposed by the House, and strikes out language, proposed by the House, relating to reimbursement for such relief expenditures.

Amendment No. 50 appropriates \$300 for increased pay costs for detailed police under the Capitol Police, Senate, as proposed by the Senate.

Amendment No. 51 corrects an appropriation title.

Amendment No. 52 appropriates \$400,000 for increased pay costs, Panama Canal, sanitation (War Department), as proposed by the Senate.

#### TITLE II. CLAIMS AND JUDGMENTS

Amendments Nos. 53 to 78, inclusive, appropriate \$22,667,630.64 for claims and judgments, as proposed by the Senate, instead of \$18,265,732.57, as proposed by the House.

#### TITLE III. REDUCTIONS IN APPROPRIATIONS

Amendment No. 79 rescinds \$210,000 from "Naval Reserve Officers' Training Corps," as proposed by the House, instead of \$193,000 as proposed by the Senate.

Amendment No. 80 rescinds \$1,925,675 from "Transportation and recruiting of Naval personnel," instead of \$2,147,500 as proposed by the House and \$1,738,700 as proposed by the Senate.

Amendment No. 81 rescinds \$4,529,350 from "Naval Procurement fund," instead of \$4,817,350 as proposed by the House and \$3,795,650 as proposed by the Senate.

#### AMENDMENT IN DISAGREEMENT

Amendment No. 42 authorizes expenditure of fund for expenses of delegation to universal Postal Union on certificate of Postmaster General. The managers on the part of the House have directed that a motion be made that the House recede from its disagreement to the said amendment and concur therein.

JOHN TABER,  
ALBERT J. ENGEL,  
KARL STEFAN,  
FRANCIS CASE,  
FRANK B. KEEFE,  
CLARENCE CANNON,  
JOHN H. KEER,

*Managers on the Part of the House.*

Mr. TABER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report. The report contains a large number of appropriations for agencies of the Government which are apt to be short of funds, and they are presently supposed to be short of funds and this should be made law as soon as possible.



The **SPEAKER**. Is there objection to the request of the gentleman from New York [Mr. **TABER**]?

Mr. **MURDOCK**. Reserving the right to object, Mr. Speaker, and I shall not object, does the conference report cover payments for social security to old people?

Mr. **TABER**. Those items were not in dispute. Those items are in the bill but they were not in dispute so the conference report would not cover them. They are in the bill but the conference report does not cover them because they were not in dispute between the two bodies.

The **SPEAKER**. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. **TABER**. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The **SPEAKER**. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement as above set out.

The **SPEAKER**. The question is on agreeing to the conference report.

Mr. **TABER**. Mr. Speaker, this is a unanimous report from the conferees. I have asked that it be considered now because it contains items for some of the agencies that should be made available as soon as possible.

Mr. **CANNON**. Mr. Speaker, this is a rather unusual request, especially this late in the afternoon. Does the gentleman expect to yield time for debate?

Mr. **TABER**. If the gentleman from Missouri desires time, I shall be pleased to yield it to him.

Mr. Speaker, I yield the gentleman 5 minutes.

Mr. **CANNON**. Mr. Speaker, I was in the committee room and did not hear the gentleman's statement giving his reason for calling up the conference report for consideration at this late hour in the day.

Mr. **TABER**. It was done because there are some agencies which need the money and it is desired that the funds be made available to them as rapidly as possible.

Mr. **CANNON**. I heartily agree with the gentleman from New York that the earliest action possible should be taken. As a matter of fact, it is to be regretted that it is so unnecessarily belated. It is true that all the appropriation bills have been delayed to an extent unprecedented in the history of the House or the Congress, but the delay in this particular bill is especially unfortunate in that the lack of funds which it carries makes it necessary for the Veterans' Administration to default in the payment of hundreds of thousands of checks already due veterans all over the country. Former servicemen throughout the Nation are waiting for their allotments. The checks have already been written but the Veterans' Administration cannot put them in the mails until the money is provided by this bill. We have long been fully apprised of the situation, and I am glad to cooperate in pushing the bill up even 1 day, although it is now too late to get

the checks to the men who are expecting them at the time they are due.

Mr. **MURDOCK**. Mr. Speaker, will the gentleman yield?

Mr. **CANNON**. I yield to the gentleman from Arizona.

Mr. **MURDOCK**. Not only with regard to the veterans, but with regard to social security payments, there are thousands of old people within my State who have been delayed in receiving their checks, and I presume the same situation prevails elsewhere. On this account I should like to see the conference report agreed to as quickly as possible.

Mr. **CANNON**. I am glad to have the gentleman's cooperation. We need all the help we can get in putting these bills through on time, or at least nearly on time as in this instance.

In response to the gentleman's inquiry, failure to get the bill through on time has left the Bureau without funds to pay student veterans their regular allowances, as well as subsistence checks for on-the-job trainees and, of course, all veterans on the unemployment compensation rolls. They aggregate something between two and three million veterans.

Justifications and full data were submitted by the Veterans' Administration in January. As I recall, General Bradley was called before the committee before the middle of February. He was not again called until March 17. If we can, save another day. Tomorrow is the first day of May, and I am glad to cooperate in getting the conference report over to the Senate without further embarrassing delay.

Mr. Speaker, in order to expedite procedure, I yield back the remainder of my time.

The **SPEAKER**. The question is on the adoption of the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

The **SPEAKER**. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 42: Page 28, line 2, insert "to be expended in the discretion of the Postmaster General and accounted for on his certificate, which certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended."

Mr. **TABER**. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate No. 42 and concur therein.

The motion was agreed to, and a motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. **PATMAN**. Mr. Speaker, I ask unanimous consent to extend the remarks I made in the Committee of the Whole this afternoon and to include therein certain statements and excerpts including minority views of four Members on the bill that was passed today.

The **SPEAKER**. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. **LYLE** (at the request of Mr. **PATMAN**) was given permission to extend his remarks in the Appendix of the **RECORD**.

Mr. **RICH**. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the **RECORD** a speech made by Mr. E. M. Elkin, chairman of the Committee on Taxation and Government Expenditures, on Monday night at the Mayflower before the Pennsylvania State Chamber of Commerce.

The **SPEAKER**. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. **LEFEVRE** and Mr. **BLATNIK** asked and were given permission to extend their remarks in the Appendix of the **RECORD**.

#### SPECIAL ORDER GRANTED

Mr. **HORAN**. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes today following the special orders heretofore entered.

The **SPEAKER**. Is there objection to the request of the gentleman from Washington?

There was no objection.

The **SPEAKER**. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. **ROGERS**] is recognized for 10 minutes.

#### THE BATA CO.

Mrs. **ROGERS** of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a speech I made regarding the Bata Co., of Czechoslovakia, on June 30, 1940, a statement on hide, leather, and shoes of June 3, 1939, and an article appearing in the New York Times.

The **SPEAKER**. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. **ROGERS** of Massachusetts. Mr. Speaker, more than 5 years ago, before this country became involved in difficulties with the German Nation, I called the attention of the House to the attempt of the Bata Shoe Co., of Czechoslovakia, to come into this country and secure special privileges for the establishment of their factories here. I pointed out that the practices of this company were in violation of the American way of life and that this company was acting as an agent for the Nazis. There were many who sought to secure a special privilege for this company. Some in high office made every effort to persuade the American people that this company had a more advanced technique than the American shoe industry and therefore should be given special consideration to ease their admission into the United States. Fortunately all of these efforts were defeated and I rise to point out to the House that reports from Czechoslovakia state that—

Mr. Jan Antonin Bata, one-time shoe-industry king, went on trial in absentia today on charges of wartime collaboration with the Germans. His lawyer, contending that Bata was now a citizen of Brazil, was overruled by the court.

Mr. Speaker, I bring this up at the present time to show the tremendous importance of keeping from coming into our country those persons who are try-

ing to destroy our way of life, those who are aliens to our way of life—the importance of enforcing our immigration laws. I succeeded in preventing the coming into this country of 500 Czechoslovakians under the guise of instructors, and so forth, in the Bata shoe factory. I succeeded in having a number of the 80 persons who had come into this country illegally under the pretense of being instructors and necessary to instruct the men in the manufacture of shoes deported.

Mr. Speaker, the operations of this concern was very much to the detriment of American labor. Afterward I was instrumental in preventing the exploitation of our children at the Belcamp, Md., plant of the Bata Co., where they were taking over children in child slavery.

At the beginning I did not have the cooperation of the administration, but in the end I did have their full cooperation and the private files on the Bata Shoe Co., Maryland, of the Department of Justice were turned over to me.

Mr. Speaker, I include as part of my remarks a speech I made on June 30, 1940, some remarks in *Hide and Leather and Shoes*, volume 37, No. 22, June 3, 1939, and also an article appearing in the *New York Times* of Tuesday, April 29, 1947, as follows:

#### THE BATA CO.

(Speech of Hon. EDITH NOURSE ROGERS of Massachusetts in the House of Representatives, January 30, 1940)

Mrs. ROGERS of Massachusetts. Mr. Chairman, in view of the fact that the Biggers unemployment census shows approximately 34,000 boot and shoe workers totally unemployed and 15,000 boot and shoe workers partially unemployed, and the fact that the Canadian plant of the Bata Co. is operating with 225 Czechs and only a few Canadians, it seems to me it is very important for us to look over the activities of the Bata Co. insofar as it concerns the welfare of the people of the United States.

I have here a number of pamphlets from the Department of Commerce which show very clearly that Mr. Bata has disrupted the boot and shoe industry in every country in which he has opened plants. I also have some pamphlets showing pictures of the workers, and they are obviously quite young children, demonstrating what that concern would do to our labor market and to our older workers.

I also have a pair of shoes in my hand advertised as made in the Belcamp, Md., shop, which retail at \$1.99. I have the advertisement of those shoes and the bill of sale. If you will look at the shoes, you will find they are out of line so far as the heel and toe are concerned. They are simple and of inferior quality, but a temptation for people to buy.

A little over 25 years ago several shoemakers came to this country to study American shoemaking methods. They worked for various periods of time in various shoe districts throughout the United States. Since returning to Europe they have repeatedly claimed that they have copied and followed American shoemaking methods. Today we have the strange experience of having these same workers return to the United States to teach American shoe workers shoemaking methods and techniques.

Of course, to anyone familiar with the shoemaking industry it is apparent that I am speaking of the Bata Shoe Co., of Zlín, Czechoslovakia. The name Bata Shoe Co. has become increasingly familiar to the American shoe industry and those connected with it. And now, because they have come

into our midst, I think it would be highly desirable to cut through the fog and confusion that has been created regarding their activities and see what the true facts are regarding this company's development in the United States.

I may say I have checked very carefully the facts I am about to present to you today, so I am sure of the truth of what I am saying.

The Bata Shoe Co. first began extensive activities in the United States in the late twenties when it began the importation of the McKay type shoe in large quantities. This importation was the beginning of a well-planned development of this company's activities here. Soon thereafter the company established the Bata Shoe Co., Inc., in New York and began the establishment of a retail chain of stores in the Midwest, centering around Chicago, Ill.

These stores were in competition with American shoe shops which sold a line and grade of shoe acceptable to the American consumer. In order to satisfy the same demand, it was necessary for them to purchase shoes from the American manufacturers in the domestic market. This was due to the fact that the Bata Co. was forced to pay a 20-percent tariff on all shoes imported into the United States. Twenty percent of a \$1 retail pair of shoes was only 20 cents and could be absorbed by the low wage and labor cost which they paid in their foreign factories. It was not as easy for them to absorb 20 percent of their \$5 shoes which amounted to as much as \$1. Therefore, they purchased the more expensive shoes for their domestic market and imported their cheaper shoes from their foreign factories.

But the domestic manufacturer from whom they purchased their medium-priced and expensive shoes was constantly hard put to it to obtain their orders because subtle propaganda was constantly being spread that "Bata is about to establish a factory in the United States." And it was no coincidence that these recurrent rumors appeared most strongly just prior to the time that the style shows were to be held, at which contracts were to be signed for shoes for the coming season.

Thus for many years in the past decade the American shoe industry and the American shoeworkers have seen the growth and development of Bata's retail chain of stores and at the same time have heard recurring, persistent rumors that Bata and all the dire things he represents to them is about to be brought to the United States.

The rumors served their purpose. The manufacturers, in order to gain an immediate order, would repeatedly cut their cost at labor's expense and justify themselves with the claim and thought that "If we don't accept this order at a reduced rate, Bata will establish his factory here and provide a more serious and more threatening competition than he does now."

The workers in the shoe industry were told each period after style season that they must once again accept a cut in wages if they are to prevent Bata establishing here and throwing the whole shoe industry into chaos.

It was because of these contacts with the Bata Shoe Co. and knowledge of their methods, that the shoe industry opposed so violently the special concessions given to this company in the reciprocal-trade treaty between Czechoslovakia and the United States. At the hearings held in connection with this treaty it was brought out especially by the trade-union representatives, that while they had every sympathy with the democratic government of Czechoslovakia, they opposed these concessions for the shoe industry, because the Bata Shoe Co., representing the only major shoe manufacturer engaged in export to the United States would be the sole beneficiary of this section of the treaty. Anyone who has checked up on the methods and labor standards of this company, as I shall develop at greater length shortly, would

agree that this company and its methods was not in sympathy with the true democracy and the progressive methods of government of their country. It was for that reason and for that reason alone that we, who are familiar with the shoe industry and its problems, so strongly opposed the shoe section of that reciprocal-trade treaty. We cannot help feeling, to this day, that our cause was prejudged and that our explanation and facts were given little consideration when the negotiations were concluded.

The treaty would have permitted the importation into this country of some 6,000,000 pairs of shoes, or up to one-quarter percent of the total production of shoes in this country. However, as the opposition pointed out at the time, these shoes, consisting almost solely of cemented women's novelty shoes, constituted a much larger percentage of that class of shoe production, and due to the low-price factor became an important pace setter in that branch of the shoe industry.

Unfortunately, both for the Bata Shoe Co. and our own State Department, as well as for a number of other groups and the peace of the world, Hitler had other plans. In the fall of 1938 Hitler took over the Sudetan lands, and on March 15, 1939, occupied Bohemia and Moravia, thus absorbing both the home plant of the Bata Shoe Co. in Zlín and the basic establishments of the industrial empire of the Bata Co., which were located in the absorbed territories. The direct effect of all this on the Bata Shoe Co.'s plans in the United States was that imports from the home plant in Zlín had to be marked "made in Germany." All the confusion and representations of the Bata Shoe Co. that they no longer had control of the company's properties in the protectorate of Czechoslovakia have since proven false, but at that time and until the late fall of 1939 efforts were made here in Washington, in Czechoslovakia, and Berlin, Germany, to evade the 25-percent countervailing duties imposed upon imports of German products by the President on March 18, 1939.

This action by the President cut off imports from Zlín and hampered the plans of the Bata Shoe Co. for their development of a much larger chain of retail stores than they already had established here. At first they attempted to provide the deficiency by increasing their imports from their factories in neutral countries, such as the Netherlands, but found difficulty in overcoming the tremendous problems created by shipping difficulties due to naval warfare and the sinking of allied and neutral shipping.

These problems gave incentive to the speeding up of the developed plans for the establishment of a factory in the United States, and by April 7, 1939, in the *Hartford Democrat* and *Aberdeen Enterprise*, published in Aberdeen, Md., you will find the following paragraph:

"It is understood that recent developments in that country since its invasion by Germany have brought to a head plans for the construction of a similar plant in America."

On April 28 the same paper carried the definite announcement that the Bata plant was to be constructed at Belcamp, Md.

Actually the Bata Co. had planned to establish its American factory at Belcamp as early as the summer of 1934 and late that September made arrangements that the new Philadelphia road pass through its property. They later paid the Maryland State Highway Commission \$11,000 for this arrangement. Meanwhile they had arranged for special consideration from local officials and followed this up with a petition to the Immigration and Naturalization Service of the Department of Labor requesting the Department to permit the Bata Co. to import 100 citizens of Czechoslovakia to "employ these persons as instructors in the making of shoes in accordance with the particular methods and in the operation of the special type of shoe machinery which will be used by the petitioner



in its new factory." The petition was based on the allegation that the machines used by the Bata Shoe Co. were different from machines used in a comparable American factory. Likewise, the petition claimed that 5 or more years' experience in the Bata factory in Zlin was necessary to develop the skills required to teach their "peculiar" methods.

Mr. Chairman, may I say that the machines seem to be exactly like the machines in use here and that may be secured in this country. May I also state that the work can be done by our own already well-trained boot and shoe workers. May I state further that the Department of Labor in making an investigation of the Bata plant at Belcamp, Md., found that only a small number of the Czechoslovakian instructors were needed to in any way carry on the work. I have here a table showing the ages of the so-called instructors on behalf of whom request was made for permission to enter this country. One was 16, two were 17, two were 18, four were 19, and nine were 20, and so on. These were all brought into the country as instructors.

Age distribution of Czech instructors imported by Bata

Age	Number	Date of arrival					Cumulative total
		Aug. 10	Aug. 11	Aug. 17	Aug. 28	Sept. 9	
16	1				1		3
17	2					2	5
18	2				2		9
19	4	1			3	2	18
20	9			2	3	4	23
21	5			1	1	3	29
22	6	1	1	1	1	3	31
23	2	1				1	32
24	1					1	38
25	6	1		2	2	1	39
26	1				1		43
27	4	2	1	1			46
28	3	2			1		47
29	1	1					49
30	2	1		1			50
31	1			1			52
32	2				1	1	55
33	3					3	60
34	5	4		1			63
35	3	1		1		1	65
36	2	1					68
37	3	3					69
38	1	1					70
39	1						71
40	1						
Total	21	1	11	14	24		

It is possible that the Department of Labor had no way of making an immediate check upon these claims, though I am informed that within the Department were three experts who were familiar with Bata methods, at least two of whom had visited the Bata plant at Zlin. Also, the Department of Labor could have made use of the knowledge of experts in the Department of Commerce, the Tariff Commission, and the Treasury Department, who had familiarized themselves with the methods and business techniques of the Bata Shoe Co.

However, the Immigration Service did not consult these experts nor make any effort to determine the truth of the Bata Co.'s claims beyond the holding of a formal, perfunctory hearing in their New York office May 11, 1939, 1 week to the day after the petition was filed, and without any notice to the industry or the trade-unions who might have appeared and presented the full facts sought by the examining officer before the permit was granted. However, the Department saw fit to grant this permit after a hearing at which the only party represented was the Bata Co. through three officials of their American subsidiary. This hearing definitely established the fact that the Bata Co. had planned to establish a factory at Belcamp and that it took the "minimum of 5 years' experience at the Bata plant in Zlin before anyone could

expect to serve the purpose that we wish to put these people to that are coming over."

Another important fact developed at this hearing was the answer to the question:

"Question. In the event it should be required, would your company be prepared to post bond to guarantee the departure of these persons from the United States?"

"Answer. While we respectfully request that no bond be asked because of the amount involved and because of the fact that we are taking the responsibility for these people and are willing to guarantee their leaving on a certain date, I can say that if that was the only condition on which they would be admitted, then, of course, we would post the bond."

Though the officials of the Labor Department were aware of the bad faith shown by officials of the Bata Shoe Co., the Department granted the permit in a letter dated June 9, 1939. The conditions of this permit required the Bata Co. to furnish the Immigration and Naturalization Service with "the name of the alien, name of the vessel, the date and port of contemplated arrival, prior to each alien's applying at the American consulate at Prague for a visa and before departure from Czechoslovakia."

These conditions were immediately violated when, on July 6, 1939, some 23 employees of the Bata Co. arrived at Ellis Island without having fulfilled the above requirements of the permit and attempted to cover their entry into the United States by claiming that they were "visitors to the World's Fair." Each of the 23 admitted upon questioning that they were employees of the Bata Co.; that they were awaiting orders from Mr. Bata; and that they had such small sums as \$40 as their total cash assets. I am amazed at the effort of this company to legalize later the entry of these aliens by attempting to negotiate with the Immigration Service for the permanent entry of "25 chemists, inventors, engineers, executives, and experts in the manufacture of products by the company Bata." The Department sidestepped this request by pointing out that the immigration laws required "the procurement of a consular immigration visa from the Department of State." As late as November 13, 1939, 7 of these 23 were still in the United States, although they had been granted visitor's visas for a 60-day period only, beginning on July 6, 1939. Two of the 7 applied for extensions, leaving 5 in outright violation of their visas as visitors, and with no effort made to obtain legal extension or entry. Is it possible that the Bata Co. feels that it is above complying with American law?

The Bata Co. further violated the conditions of the permit of entry of June 9, 1939, by claiming that the permit granted for 100 did not include as separate individuals the wives and adult children of the so-called instructors, who were permitted entry by the Department of Labor.

After extensive, lengthy negotiations between the Department of Labor and counsel for the Bata Co., the company was permitted to bring wives and children into the country on visitors' visas.

At this point I would like to make clear the fact that we no longer are involved with only 72 individuals, as the company's inspired publicity claims, but we have 7 World's Fair visitors, 44 visitors accompanying 72 so-called instructors, plus 26 executives and officials here as visitors on business, plus their families, servants, secretaries, chauffeurs, and so forth, a total of more than 200 here in connection with the Belcamp factory alone. The number of alien officials, executives, and workers here in connection with the retail stores in the Midwest, the new chain of retail stores in the East, and those in each of our possessions, including the Panama Canal Zone, the Virgin Islands, and so forth—the total number of individuals involved, I feel sure, would easily come to 500 or more.

Last autumn an attempt was made by Mr. Bata to bring 500 workers from Czechoslovakia in addition to the first request for the 100 so-called instructors. In conjunction with others, I worked very hard to prevent these alien workers from coming into the country and apparently we were successful in our efforts.

To me the most amazing fact regarding these aliens, in view of the company's claims of skill, is their youth. I refer you to the above table showing the age distribution of the so-called Czech instructors imported by the company. One expert admitted, Ludmila Rokytova, though listed as an official of the firm, was only 16 years of age. Others ranged through the adolescent years. One-fourth of the total were 20 years or younger. One-half of the grand total were 25 years or less. Look it over.

At what age were these experts employed by the Bata Co. to give them 5 or more years' experience, which according to the company's own petition for admission of these instructors, was necessary to develop the skills required to teach the Bata methods. Is it possible that this company employs such large numbers of youth in their plant at Zlin?

I have here in my hand a booklet published in three languages, including English, by the Bata Co. for distribution to visitors and those interested in the Bata system. On page 29 is a picture of a child learning to use the Singer sewing machine. This child certainly cannot be more than 8 years of age. It is plain from the picture and the caption below it that this child is learning skills involving the use of this machine. I now take up another booklet published by the same company entitled "Zlin, the Place of Activity," and find from pictures on pages 41, 43, and 47 that the use of the Singer sewing machine constitutes a vital part of the production system of the Bata Shoe Co.

It is beginning to seem to me that the claims of trade-union officials, in the hearings before the Tariff Commission, that their opposition to the concessions to the Bata Co. were based on low wages and the exploitation of youth were well founded in fact.

In the petition for the importation of the instructors the Bata Co. stated that their "experience convinces the petitioner that the best results can be obtained by employing young men and women locally, paying them a comparatively high rate of wages."

And then gives the real reason for their importation by continuing:

"Petitioner believes this plan will accomplish better results than can be had by endeavoring to recruit its force from among experienced shoemakers who are not acquainted with the Bata methods."

The company proceeded to follow its plan along this line and early last summer—

"Every member of the 1939 graduating class of Hartford County high schools received a card inviting applications for employment. Soon thereafter, the invitation was extended to 1938 and 1937 graduates."

Thus the company kept the implied promises of Mr. Bata, who when dedicating the laying of the cornerstone said, "I intend to employ no one except high-school graduates and to educate them in my methods"—copied for the most part from American mass-production methods.

Mr. Bata thus absorbs a small section of American youth, but he completely throws on the industrial scrap heap all American shoe workers now unemployed and those who will thus be displaced by the so-called economies of his system.

His statement, just quoted, claims that his system is an adaptation of American mass-production methods, so we should look at those methods to see what they produce.

In the newspaper article already referred to in the Sunday Star of November 19, 1939,

there is the following quotation regarding Mr. Bata's methods:

"These methods are an adaption of the conveyor-belt system perfected in the automobile industry. Rawhides and other materials begin at the top of the building and flow endlessly down and around from floor to floor, past the benches of workers, who have each one a small task to do in the making of the finished shoe.

"One man polishes the leather of the hide. Another cuts the uppers; another cuts the caps; another inserts eyelets; another turns the welt; another sandpapers heels.

"And it is fast," declared an 18-year-old girl, a graduate of Havre de Grace High School last year.

"They assigned me to brushing polish around the edge of the sole and they gave me a whistle.

#### "RESULTS FROM A WHISTLE

"If you can't keep up with the shoes going past on the belt," they said, "blow the whistle. The belt will stop till you catch up." I managed to keep up with the belt all morning, but in the middle of the afternoon I fell behind. So I blew the whistle. All of a sudden it seemed as if about 20 instructors were around me, shouting instructions in Czech and German and English.

"I vowed right then that I would never blow that whistle again—not even if the factory blew up."

It is obvious from this article that the Bata system has adopted the technique of the American mass-production system without the social viewpoint and humane methods of the American use of that system.

This same article points out that these youngsters were employed at the minimum wage required by law. The Bata Co.'s petition for the admission of these so-called instructors alleged that the best results could be obtained by employing young people and paying them a comparatively high rate of wages. Does Mr. Bata think that the minimum established by law is a high rate of wages?

The report of a memorandum by the Immigration Department officials in regard to the second investigation of the Bata Shoe Co., conducted late in November 1939, contains the following:

"Although the petition mentioned above also alleged that the best results could be obtained by employing young men and women locally and paying them a comparatively high rate of wages, it should be stated that the greater part of these new workers are being paid the minimum wage prescribed by the Wage and Hour Division of this Department—30 cents an hour, or \$12.60 per week, with a social-security deduction of 13 cents."

In addition, this alien concern is not complying with the minimum-wage standards established by this Congress. In a civil action brought before the District Court of the United States for the Northern District of Illinois, the Wage and Hour Division charged the Bata Shoe Co. not only with failing to pay the minimum required by law, and failing to pay overtime for hours worked beyond the maximum set for the regular rate by law, but this company likewise, which seeks special favors in our midst, was charged with and later admitted, by a stipulation dated December 19, 1939, the full essence of the complaint. For the short period of 1 year under which we have been operating under the act, this company, to bring itself under compliance with the act, made restitution of \$7,000 in wages to 65 of its employees in Chicago.

I am reliably informed that the company is also violating the provisions of the wage-hour law in its plant in Maryland. Trade-unions, representing a number of employees in that plant, have filed complaints with the Wage and Hour Division recently. They were informed that an investigation would be instituted by the Wage and Hour Division,

if and when further violations were found in this plant. It seems to me that this visitor in our midst is certainly abusing the hospitality which has been shown him. It is time the administrative agencies of Government required strict adherence to the spirit and letter of their regulations before conceding further favorable administrative decisions to the Bata Co.

The experts and officials of the Department of Labor who have made a thorough study of the methods of this company, of their machinery, of their technique and business methods, have required the company to reduce its alien staff of instructors to a maximum of 10. This ruling was made after a full, fair consideration of all the facts, and all the allegations of the company in its original petition. Now, instead of complying with the regulations of the Department, powerful interests in the State of Maryland, apparently at the request of the Bata Co., are bringing pressure upon the Department of Labor to change its ruling.

In behalf of the American shoe industry, I urge the Department of Labor to stand by its determination in this matter, and I urge the Members of this House to investigate the facts regarding the Bata Co. before they associate themselves in the efforts in its behalf.

You should know the tremendous harm which the methods of this company will work on our already trained boot and shoe people, when the Biggers unemployment census shows that 34,000 boot and shoe workers were totally unemployed and 15,000 were partially unemployed. It also works a tremendous hardship on all labor.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I want to give you a few more facts about the Bata situation in this country. Let us have an open investigation of it. I would welcome it. I know the workers would welcome it and the industry would welcome it. Let us face the facts for a minute. Let us look over the whole activity of this company in this country.

I want to show you again that Mr. Bata violated his agreement in allowing these people to come into this country. I also draw your attention to an issue of the New York Times, in which it is stated that Mr. Bata wanted to buy a textile mill in this country. He wanted a loan from the Reconstruction Finance Corporation, according to the newspaper story, and the Reconstruction Finance Corporation refused that loan because Mr. Bata would not promise to employ American workers.

Let us also face the facts that Mr. Bata later requested that an additional 500—not 100, but with it 600 in all—Czechoslovakians be allowed to come in sometime during last autumn. Five hundred workers would mean their families also, of course; not 100 but 500. That would make 600 that the request was made for, of Czechoslovakian workers, together with their families, to come into this country.

The following is an article in a St. Louis paper on Monday, November 6, 1939, by Mr. Drew Pearson and Mr. Robert S. Allen:

#### "THE WASHINGTON MERRY-GO-ROUND "(By Drew Pearson and Robert S. Allen)

##### "CZECH SHOE LABOR

"The Labor and State Departments have been up against a tough problem recently with the demand that 600 workers and executives of the famous Bata shoe factories of Czechoslovakia be permitted to enter the United States.

"Jan Bata, who has done to shoes what Ford has done to automobiles, is setting up a new factory in Harford County, Md., just north of Baltimore. To start the factory he asked for the admission of 100 Czech workers. This roused terrific opposition from both CIO and A. F. of L. shoe unions.

"However, Bata had the support of Senator TYDINGS, of Maryland, whose law partner, Maj. Robert Archer, was arranging for the purchase of Bata's land in Maryland. TYDINGS wrote several vigorous letters to the Labor and State Departments demanding entry of the workers, and they finally consented that 100 workers be admitted temporarily.

"This has aroused the vehement opposition of some of Senator TYDINGS' colleagues, notably Senator Walsh, of Massachusetts, Senator Davis, of Pennsylvania, and Representatives Treadway and Edith Nourse Rogers of Massachusetts. They have protested that the admission of shoe workers seriously hurts shoe labor in the United States.

"Despite all this, Bata has just asked to import 500 additional personnel into the United States, and Senator TYDINGS made a personal call upon Secretary of State Hull to urge their admission. Specifically, he urged that the immigration laws be waived to admit these 500 in one lump. He urged this on the ground that this group consisted of shoe executives, chemists, and specially trained men, who would not interfere with American labor.

"United States labor unions, however, again objected, and even more strenuously. They pointed out that the families of the Bata people also would be admitted, which meant nearer 2,000 rather than 500. They also pointed out that Bata was the Henry Ford of Czechoslovakia; that he manufactured a cheap product which undersold American shoes; and that it was impossible for labor to organize his plants.

"Secretary Hull, faced with Senator TYDINGS' plea, consulted his chief of the visa office, Avra Warren, who advised him that if Bata wanted to shift his executive offices to the United States, it should be done through routine channels. Warren urged that it Bata really wanted to set up factories permanently in the United States, his men should get permanent visas, not be given temporary visas.

"He pointed out that the Nestlé's Chocolate Co. was planning to move to the United States to avoid the war; also, the Belgian mines offices and the Belgian diamond cutters. Warren argued that the transfer of Bata permanently to the United States would enrich this country, and that any immigration visas granted Bata should be on a permanent basis.

"Accordingly, the State Department has ruled that the Bata people may receive regular, not temporary, visas if they are able to comply with the requirements of the law."

I am fighting for American jobs and not for jobs for people over there. Our duty is to find employment for the people here.

I know that the gentleman from Nebraska [Mr. STEFAN] is working for his farmers; I realize that, because he is always working for his farmers, and also I know he does not comprehend the very great danger in allowing hundreds of trained aliens to come to this country to compete with our unemployed.

I would like to tell you further that although the officials of the Labor Department were aware of the bad faith shown by officials of the Bata Shoe Co., the Department granted the permit in a letter dated June 9, 1939, but then later withdrew it.

I repeat that Mr. Bata violated the conditions of the permit of entry immediately, for on July 6, 1939, some 23 employees of the Bata firm arrived at Ellis Island without having fulfilled the requirements of the permit, and attempted to cover their entry into the United States by claiming that they were visitors to the World's Fair. Each of the 23 admitted upon questioning that he was an employee of the Bata Co. and that he was awaiting orders from Mr. Bata. They had such small sums as \$40 as their total cash assets.

Again I want to say that I am amazed at the effort of this company to legalize later



the entry of these aliens by attempting to negotiate with the Immigration Service for the permanent entry of 25 chemists, inventors, engineers, executives, and experts in the manufacture of products by the Bata Co.

As I stated before, the Department seemed to sidestep this request by pointing out that the immigration laws required the procurement of a consular immigration visa from the Department of State. As late as November 13, 1939, 7 of these 23 were still in the United States, although they had been granted visitors' visas for a 60-day period only, beginning on July 6, 1939; 2 of the 7 applied for extension, leaving 5 in outright violation of their visas as visitors and with no effort made to obtain legal extension or entry.

I also want to emphasize again the fact of the employment of young and inexperienced workers, that they could not keep up with Mr. Bata's method of production. Our methods are better. Our workers are better. They are citizens of the United States. My ambition and purpose is to fight for their protection.

[From Hide and Leather and Shoes of June 3, 1939]

#### POSTPONE BATA MEETING

The Shoe and Leather News, London, reports that the extraordinary general meeting of the Bata Co., of Zlin, has been postponed from May 2 to a probable date late in June or early in July.

The writing down of the company's share capital was to have been finally settled at this meeting, and one of the reasons surmised for the postponement is the present impossibility of clearing up the question of exports and sources of raw materials.

Although the Zlin factory is now presumably in control Jan Bata under agreement with the German government, the News says it is considered likely that the plant will in the future be used in increasing measure in the interests of the Reich to supply domestic and foreign markets with cheap footwear.

[From the New York Times of April 29, 1947]

#### CZECHS BEGIN BATA TRIAL

PRAGUE, CZECHOSLOVAKIA, April 28.—Jan Antonin Bata, one-time shoe-industry king, went on trial in absentia today on charges of wartime collaboration with the Germans. His lawyer, contending that Bata was now a citizen of Brazil, was overruled by the court. Edvard Valenta, a journalist, testified that Bata had declined to permit his branches around the world to be used as resistance centers.

#### EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include an editorial appearing in the National Tribune of Thursday, May 1, 1947, entitled "There Is Danger Ahead," which points out that legislation having to do with disabled veterans must be a continuing matter, and not a spasmodic one.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The SPEAKER. Under previous order of the House the gentleman from Washington [Mr. HORAN] is recognized for 30 minutes.

#### APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR

Mr. HORAN. Mr. Speaker it would appear that almost every conceivable

argument on one side or the other had been exhausted in the course of last week's debates on the bill for appropriations for the Interior Department.

Yet, upon reading over the Record of those debates and upon further study of the hearings held before the Subcommittee on Interior Appropriations, it strikes me as increasingly evident that many Members on both sides of the aisle still do not have a full understanding of the facts about western reclamation and power-development projects. All of you, of course, are fully aware of my personal, intense interest. It also appears to me to be evident that many assumptions were made in the course of the hearings—and that these assumptions were reflected in the marking up of the bill—which are not fully clarified by the facts as deduced and concerning which the subcommittee, for one reason or another, did not obtain accurate and sufficient information.

Mr. Speaker, I hope that we can be able to reconsider, in calmer reason, three phases of our present-day reclamation and development program.

The first of these is the proper place of western reclamation in the over-all program of governmental activity.

The second phase that bothers me is the maintenance of a fiction that money expended on western reclamation projects is a subsidy granted to westerners for purely political purposes, rather than because of any valuable contribution to the national wealth.

The third, Mr. Speaker, is the general impression on the part not only of Members of Congress but of leaders of the administration itself that the residents of the area surrounding a development project do not contribute their share toward the cost of such development.

In the course of these remarks I hope to shed some light on each of these three subjects in the hope that they may provide our further considerations with a justification for correcting the Interior Department appropriations and providing for a workable schedule of progress on projects now under construction.

I shall have to base the bulk of my remarks on the two activities of the Interior Department which come most directly within the scope of my interests—the Reclamation Bureau's Columbia Basin project and the Bonneville Power Administration. I think I am making a very fair assertion when I state that, to a great extent, the proper and orderly development of the Columbia River Basin and of the Northwest itself are largely dependent upon the early completion of the essential tasks being carried out by those two activities. They already constitute a tremendous Federal investment and the return of that investment to the Treasury depends entirely upon completion of the projects.

Mr. Speaker, on Wednesday of last week I introduced into the House of Representatives a resolution which, in effect, calls upon the administration and its Chief Executive to remove the freeze order of last August 2 and carry forward all projects connected with reclamation, river and harbors work, and flood control, for which the Seventy-ninth Congress and the previous Congresses have authorized funds.

I introduced my resolution, House Joint Resolution 177, and I am pleased to note that I have been joined in that purpose by a number of my Republican colleagues, for the purpose of calling the attention of the administration and of the Nation itself, to the fact that, since the end of World War II, the United States Government has already allowed millions of dollars to slip through its fingers and lost further millions of dollars worth of vitally needed agricultural and industrial products as a result of its failure to give a consistent green light to the construction of reclamation and power projects in virtually every part of this country which are so badly needed to support our expanding economy.

Being specific—in my own State of Washington—a direct result of the now famous Truman freeze order has been a crippling and growing shortage of electric power upon which many industries depend as their source of prime energy. Industries in that State could have today been using that power for the purposes of converting our western raw materials, timber, aluminum, clay and the like into wallboard, plaster, and the various construction materials we so directly need for the veterans' housing.

This, Mr. Speaker, is only a slight example of the type of short-sighted economy we are practicing if we accept as final the form of Interior Department appropriation bill which was passed by the House last week.

On the second day of House debate on the Interior bill last week I noticed an editorial in a local morning paper which in effect said that these cuts on western development were all right. It quotes the subcommittee's report that "perhaps in no other appropriation bill is there greater opportunity for sound economy and Government spending than in this bill."

I recall the reaction of this same morning paper to a suggestion of mine a month ago. At that time, before a joint subcommittee of these two Houses, the fiscal condition of the District of Columbia was being aired. Before us then and now was a budget for the District of Columbia that was some \$20,000,000 out of plumb. I was very seriously taken to task for suggesting that there were other avenues of revenue raising and expense reduction than the Federal contribution which should be seriously considered.

This same paper that today thinks that western development is not necessary was quite caustic in its comments when I indicated that the raising of the Federal contribution was not necessarily the answer to the District of Columbia's problems.

And so I conclude that it merely depends on one's opinion.

Last week, out in the State of Washington, I attended the funeral of our late colleague, Fred Norman. Last Wednesday at noon I left Spokane and flew westward. In my lap as I flew over the Columbia Basin project was the morning newspaper. One headline read, "Chinese to request a billion-dollar loan"; another headline read, "House today considers \$350,000,000 loan to Europe"; another read, "Senate yesterday voted \$400,000,000 to Greece." As

I looked down upon the Columbia Basin project and northward to Grand Coulee Dam, I recalled another item in the President's budget—the State Department. In 1941 it received \$21,000,000. This item for 1948 is swelled to a total of \$276,000,000. But that is not all: the total for all of our activities in the field of international politics in the President's budget for 1948, as it sets today, is \$2,800,000,000.

Now I draw no conclusions from that total sum. I do not now criticize that total sum. But I do want to point out that what is in the President's budget is not all. For the \$200,000,000 aid to Europe and the four hundred million gift-loan to Greece are outside of that total and so our entire activities involving foreign nations will be better than \$3,500,000,000. Furthermore, we are told that \$100,000,000 of the Greek loan is for reclamation and river development in that foreign country.

Compared to these sums, the Interior appropriation is a small item in the \$37,000,000,000 budget before this House. The controversial items in the Interior bill are far less than one-half of 1 percent, and I submit that at a time when we are playing fast and loose for credits to countries abroad, it comes with rather poor grace for us to be restrictive and unreasonable with our western United States.

As I looked down upon that rich and arid land of central Washington, I recalled a speech I had made on the floor of the House when this bill was before us last year. I pointed out the need for completing this project as soon as possible in order that the time for repayment of the Federal Government's investment might be speeded up. We had the same argument before us then involving the carry-over of funds.

According to the Department's report, the construction schedule which I indicated in my speech last year has been carried out and the carry-over funds available for further construction on Columbia Basin as of fiscal June 30 will be \$1,084,000. To carry on the construction schedule at the same tempo as last year would require for this project the total of \$29,500,000. It is for this reason, of course, that those of us from the West have complained about the size of the item before us last week. For the amount allowed must mean the abandonment of many projects half completed. In that respect, I consider it highly significant that the President long since released all funds earmarked for Columbia Basin and Bonneville Administration construction, even while holding some other projects frozen. This should be an indication of the measure of importance the administration places upon those projects. That place of importance is fully justified, Mr. Speaker, by the fact the entire Northwest is dependent upon the completion of those projects as the key to their industrial and agricultural security.

I intend to touch upon that subject at length in a few moments. But at this point I want to emphasize this thought: The greatest argument for our participation on the grand scale in foreign affairs is that we today are the last remaining solvent capitalistic nation.

Our solvency, of course, depends upon our ability continuously to produce and, in that light, the people of the Northwest are begging us to recognize the value of the Columbia River developments as a distinct asset to this Nation.

Our future solvency depends upon the degree of imagination and enlightened self-interest with which we undertake the task of capitalizing upon the tremendous resources which are ours in this great country, so that we may continue to be the greatest producing, the highest consuming, the most truly progressive and dynamic country in the world.

No, Mr. Speaker, let us delve beneath the arguments and counterarguments that have been so liberally used in this matter and get at the facts of the case, as they relate to the Columbia Basin project and Bonneville Power Administration.

The general reason given for slashes in amounts granted by the House for development of projects during fiscal 1948 was that the President had not allowed the expenditure of the full amounts appropriated by Congress for this purpose last year. As I have previously stated, the Columbia Basin project was released from this "freeze" almost immediately, and, as of June 30, 1947, will have only \$1,058,000 in carry-over funds. Almost all of this money has been expended in partial payment of contracts which extend over a period of years and the full amount requested by the Budget Bureau is necessary to meet the contractual obligations already made.

In spite of this fact, the Columbia Basin allowance was cut to \$11,435,000, an amount little more than one-third of the budget request.

Now let us consider what kind of problem that action creates in the Bureau of Reclamation and specifically to the great Columbia River, more specifically, to the so-called Columbia Basin specific subprojects.

Irrespective of the amounts necessary to continue construction on the canals, Low Dam, Potholes Dam and pumping plant of the project, there is necessary an item of \$6,000,000 to pay the annual progress payments on the construction of the six new generators for Grand Coulee Dam which the subcommittee report states were "scheduled for installation to meet the increased demand for power."

Mr. Speaker, with this small appropriation for the entire Columbia Basin project, the Bureau of Reclamation cannot hope to meet this \$6,000,000 payment and those six generators almost undoubtedly will be placed 1 year behind schedule for their installation.

This, in effect, will mean that we will have a power dam—completed and in actual operation, generating and distributing power but the vital heart that makes it truly wealth-producing will have been left out and the total, cable energy which should flow over the transmission lines—which the bill authorizes to be built—will not be available. That, to me, Mr. Speaker, is a prime example of false economy.

Another item drastically reduced was for the operation and maintenance of the Bonneville Power Administration from \$4,700,000 to \$2,500,000. In its report,

the subcommittee criticized certain activities of the Bonneville Administration and mentioned that it was eliminating funds or portions of funds used by those activities. The sum total of these criticized amounts could not be more than \$700,000. I suggest that a reduction of \$2,200,000 based upon an aversion to less than one-third of that amount verges upon emotion rather than reason. I am advised on responsible authority that the Bonneville Administration cannot possibly maintain an operating organization on a budget smaller than \$4,000,000 for the coming fiscal year. To attempt operation on the amount scheduled to be appointed can only result in a serious loss to the Government through deterioration and lack of maintenance. This again is an outstanding item of questionable economy.

There is another cut which was made in the Bonneville Administration appropriation which grieves me very deeply. Mr. Speaker, one of the principal purposes in constructing these projects has been to bring the magic of electric power within the reach of millions of little people to whom private utilities have never been able to make it available. The subcommittee eliminated entirely the items amounting to \$5,699,500 for construction of feeder line and capital additional substations which are necessary to make power available along rural electrification lines. REA lines serve the small farms and the so-called little people. To me they are vital. I must confess that I question the wisdom of the subcommittee's action. I sincerely hope our future action will keep faith with our farmers by restoring those lines and substations.

I now wish to address myself to the question of long-range economy in the event the proposed cuts are sustained in these projects. The amounts authorized for Bonneville Power Administration and Columbia Basin projects are less than sufficient to keep existing contractual obligations and maintain these projects at their present level. They make no provision for continuing the scheduled construction of these projects in line with the promises made to the people of the Northwest by the Seventy-ninth Congress last year on the occasion when it reduced appropriations below the amounts asked at that time.

Mr. Speaker, the promises made by the Seventy-ninth Congress for completion of these projects, according to a specified schedule, were accepted in good faith by thousands and hundreds of thousands of residents of the Pacific Northwest. They believed in the good faith of our assertions. Acting upon that good faith, they have invested their personal fortunes and their own futures in enterprises and industries which depend upon the completion of these projects on schedule. And, if Congress does not now keep faith with them, thousands of these individuals, among whom hundreds are veterans of this last and of the First World Wars, will lose their stake in the future of this country and may be forced to call upon this Government for relief, necessitated by the short-sightedness of those who would obstruct the development of our natural resources.



Mr. Speaker, I have taken the trouble to determine what the effect would be of slowing down the completion of Columbia Basin project to the extent necessitated under the proposed bill.

First, I should like to consider the effect upon the agriculture and rural economy of the area. Work now in progress on some \$33,000,000 worth of construction and supply contracts for the irrigation features of the project would have to be reprogramed and work on a number of the existing contracts will have to be stopped. Experience has shown that the stoppage of work during the war years has caused an additional expense ranging from 20 percent to 30 percent of the estimated value of work involved.

This additional expense is the result of dispersion of organization, deterioration of materials, erosion of uncompleted work, the cost of protection on strategic projects and the like. These losses result in an unproductive cost to the water and power users of the projects of about \$10,000,000 during the first year that this retarded schedule is in effect. Vitally required repairs to the Grand Coulee spillway bucket probably must be delayed with a resultant loss which is difficult if not impossible to evaluate because of the uncertainties of the erosion which might take place.

Consider the effect of this curtailment of program upon the general economy of the Northwest.

The Northwest has a power shortage on its hands at this moment and unless the Congress permits reasonable increases in generation and transmission this shortage will become more acute.

There are several reasons for this power shortage. The principal cause is the greater use of power among the established customers. Another cause is the unexpectedly large increase in industrial load in the postwar period. A third major cause is the regional lack of generating and transmission capacity. Private-utility companies have agreed that only the Federal Government is capable of financing the kind of construction necessary for harnessing that river.

More generating capacity could be quickly developed from Grand Coulee and the lower dams. Other dams such as McNary and Foster Creek are also possibilities but only for long range power supply because of the time required to build and equip the dams. Grand Coulee and the lower existing dams, already installed, have space available for 20 more generators. These represent the only hope in meeting the current power shortage. At Grand Coulee there is space for 12 more 108,000-kilowatt generators. Three generators are now being installed, three are being manufactured, and three are in the planning stage. These nine generators can relieve most of the power shortage up until 1950, but adequate appropriations from Congress must be made for the 1948 fiscal year to make this possible. The 1948 Interior Department budget estimate contains \$27,500,000 to carry on the work for these generators and other work at Grand Coulee, but the House has granted only \$11,435,000.

Leaving the power supply question for a moment, let us consider the effect of

these nine generators on the finances of the country. The Grand Coulee Dam which was once scorned as a white elephant has proven itself as a supplier of needed kilowatts and is paying its own way. It is now paying back its cost ahead of schedule and would, if permitted, pay out still faster by completing the generator installation as quickly as possible. Nine additional generators would bring in \$5,000,000 additional revenue yearly. It is difficult to understand how anyone could turn down as businesslike a project as this.

From both a power supply standpoint and a financial standpoint, full appropriation should be made for additional generators at Grand Coulee.

Without a transmission grid new generators would be useless as the power must be brought to the market. The grid not only serves to bring the power to the market but also provides more firm power by tying together the Bonneville and Grand Coulee plants. An additional capacity of from 100,000 to 150,000 kilowatts has been developed in this manner. The Bonneville Act directs that transmission lines be built by existing and potential markets. In the early days of the Bonneville project lines were built to potential markets which have subsequently developed into actual markets far beyond expectations.

With the present power shortage in the Northwest the building of lines to potential markets is out of the question. It will be well if the actual demand is taken care of. All the items in the 1948 budget of the Bonneville Power Administration are needed for actual loads and if the lines are not built, customers will be deprived of power. If the region is to be saved from an impending power brown-out attention must be given to the items covered herein.

Now, Mr. Speaker, I should like to dwell upon the question of economy of operation of our Government finances. I propose to demonstrate that the Government will actually lose money by failing to grant adequate appropriations for Columbia Basin and Bonneville.

The Government will lose very nearly the effect of 1 year's potential earnings from these projects and that amounts to quite a sizable sum—much more than the amount of the requested appropriation.

As two specific examples of direct loss of revenue to the Government resulting from failure to adhere to construction schedules on the Columbia Basin project, I would like to cite the Electro-Met magnesium reduction plant at Mead, Wash., and the aluminum reduction plant at Tacoma, both built by the Defense Plant Corporation during the war and both now standing idle for lack of power to operate them.

The Mead magnesium plant cost the Defense Plant Corporation \$15,000,000. It is now appraised at more than \$11,000,000 and two private firms have offered approximately that amount to take it off the Government's hands. The War Assets Administration was forced to reject those bids because there is not sufficient electrical power available to the area to operate it.

I would like to stress that the product of this plant is not in competition with any other part of the country. Magne-

sium is badly needed for many industrial purposes and no other section of the country can produce it as cheaply as the Northwest.

The cost to the Government of maintaining that plant in idleness is \$60,000 per year. The Government could earn many times that amount by furnishing power to operate it at a profit to the taxpayers. The plant in operation would provide from 700 to 900 jobs, and the resulting return in income taxes would further help the United States Treasury. I shall not bother to outline the pyramided benefits to the Nation through taxes on fabrication and sale of the products from this one plant.

A similar situation exists regarding the aluminum plant at Tacoma. The contract held by Permanente Metals Co. with the Bonneville Power Administration guarantees firm power to this plant only if the six new generators at Grand Coulee are placed in operation on schedule. I am informed that the rate of construction at Grand Coulee authorized by the proposed appropriation would not only force at least a year's delay in the opening of this Tacoma plant and consequent loss of employment and strategic material but also would force closing down of one-sixth of the capacity of the same company's Mead aluminum-reduction plant.

These, Mr. Speaker, are but two concrete examples of the direct loss occasioned upon the economy of the Northwest and the Nation, as well as of revenue to the Federal Government, if the progress of this one project is slowed to the extent necessitated under the present bill. Allow me to repeat, if you will, that I am quite certain similar results will prevail in the case of most other projects affected, and I join with Representatives of the other Western States in their protests against such a reversal of policy, which cannot be described merely as foolish but as a stupid, if not malicious, effort to throttle western development at a great loss to the entire Nation.

Mr. Speaker, allow me to outline briefly what the suggested program will cost the United States Government for the period affected by a 1-year halt to new construction on the Columbia Basin and Bonneville projects alone.

The United States Treasury will lose \$7,462,500 in revenues from power sales.

The price to the Government of constructing and installing the six generators at Grand Coulee will be increased by \$1,150,000.

The added cost of programmed construction of transmission lines will be \$560,000.

These are only the direct losses and do not include the value of interest payments on the entire Government investment to date. This interest must be paid for an additional year while Grand Coulee must sit with water going over the top of the dam which could be earning profits for the Government. The interest on this idle dam capacity would amount to some \$420,000 for a year's delay in construction.

Let us consider briefly the indirect costs to the Government and to the economy of the region. The delay would have a tremendous effect upon the thousands of individuals, many of them ve-

erans, who have invested in the future of that project.

In addition to those thousands, there are more than 1,700 industrial establishments, mostly small businesses, which have investments at stake in these projects. They encompass some 48,000 wage earners and a total pay roll amounting to around \$62,000,000 yearly. Failure of this Congress to keep faith with those people will result in loss of all the income taxes on those pay rolls to the Treasury. The value of the products they would manufacture would amount to more than \$200,000,000 yearly—and the Government will lose all the excise, corporate, and other taxes on those enterprises if it fails to adhere to its schedule of construction.

So much for the economics involved in a considered opinion of H. R. 3123.

I should like to use the remainder of my time to comment upon the principles and the judgment concerned in the conclusions inadvertently arrived at last week as to the value of western reclamation in our over-all national economy.

I have been greatly disturbed in studying the hearings conducted before the subcommittee on Interior appropriations on this bill, at the amount of misinformation that crept into the record of the subcommittee hearings on various phases of the bill.

Besides the subject of the Presidential "freeze order" through which the administration rendered a most severe disservice upon the West and upon the Nation generally, the two principal ideas which seem to have been dominating the minds of those who wrote this bill have been that the power developed by the projects is created only through a subsidy on the part of the Government and that the residents of the areas surrounding reclamation projects contribute nothing toward repaying the cost of their construction. Probably the flood-control concessions prevalent in most of the eastern areas from which the majority of the subcommittee members derive, colored these preassumptions.

Mr. Speaker, both of these ideas are absolutely false and I propose here and now to dispel the doubts of any Member who still entertains such thoughts.

I say, Mr. Speaker, that the idea that the Federal Government subsidizes reclamation power and the industries which depend upon it dominated the thoughts of some committee members because it is obvious from the line of questioning and the comments of certain members all through the hearings that they believed that to be the case.

I may cite that portion of the hearings regarding the Hungry Horse project in Montana, in which Mr. Corette, of the Montana Power Co., charged that the aluminum industry in Oregon and Washington was being subsidized through cheap federally produced power—page 1446 of hearings—and I can find no record in the hearings of any attempt to determine whether that charge was true. In justice to the Hungry Horse project, and to all of the Columbia River projects, that charge should have been completely investigated.

On page 1030 of the hearings, the distinguished Representative from Iowa

[Mr. JENSEN], a member of the subcommittee, is recorded to have stated:

I am sure that everyone in this room knows that 2 mills per kilowatt-hour for power and \$85 per acre for water just will not pay the bill under present conditions.

Mr. Speaker, there are other places in the hearings where similar statements have been made and it is quite apparent that a definite misunderstanding existed in the minds of some persons on this subject.

Naturally, it is disturbing to me that in view of such statements and such prevailing opinions, not one word of testimony was taken and not one question was asked, so far as I can find in the hearings, to determine whether there was any actual truth in that impression.

It is even more astounding, Mr. Speaker, to think of this in the face of the fact that there is on record complete proof to the contrary, namely, that the construction cost of the Columbia Basin power features are self-liquidating, and that they are earning for the Government, even at this time, an amount in excess of that necessary to pay off their share of the cost of this project within the time specified by the Congress and the Secretary of the Interior.

This subject was raised 2 years ago in hearings on this same question. In order to clarify the matter I asked the Secretary of the Interior to determine whether the charges were true that Columbia power rates were too low to repay the cost of building the project and that Northwest industrial and rural users of electricity were being subsidized by the Government.

The Secretary of Interior caused to be made a complete study, conducted by an experienced private accounting firm, to determine the answer to that question.

On February 12, 1946, as shown on page 1248 of the CONGRESSIONAL RECORD, volume 92, part 1, I appeared before this House and presented a report on repayment of operating expenses and construction costs of the Bonneville Power Administration, the Bonneville Dam project, and the Columbia Basin project. This report was made as a result of my request to the Secretary of Interior dated July 6, 1945. It showed that these three projects will pay back to the Federal Treasury all construction costs, operating expenses, replacement costs, and interest on the power-facility investment. Now that a year has gone by the Bonneville Power Administration has issued a supplemental report bringing up to date the original report by including costs and revenues actually experienced during the year. I would like at this time to present briefly the highlights of this supplemental report which shows that the past year's operation has been more favorable than forecasted in the original report, or in other words, the original report was on the conservative side to the extent of \$28,000,000.

#### POWER REVENUES

Revenues from the sale of power have materially exceeded the 1946 forecast. Instead of the \$11,573,312 power sales predicted for 1947, \$20,389,500 is now indicated from this source. This is due to quick recovery of postwar industrial loads. In addition, the loads of distrib-

utors have increased very rapidly. These increases in load will not only affect the current year but will benefit revenues up until 1953. The new estimate is more than \$28,000,000 over the old forecast for the years 1947 to 1952, inclusive. It is estimated that beginning in 1950 complete sale of Bonneville-Grand Coulee power in the amount of \$25,590,000 per year will be realized but only if the Congress appropriates funds to complete the installation of the nine additional generators. Therefore, it is evident that it is good business from the standpoint of the Treasury to accelerate Grand Coulee generator installations.

#### TRANSMISSION INVESTMENT

A saving has been made in the total investment in the Bonneville transmission system as it will be when completed in 1956. The original pay-out report estimated this investment at \$168,332,747. The figure is now reduced to \$156,510,716. This reduction is made possible by a shift in the location of power loads. The analysis last year estimated that 97,500 kilowatts would represent the loss of the war industry load at Spokane. This has been regained and the power used at Spokane during the war will not have to be remarketed in the Puget Sound or lower Columbia areas. Actually the aluminum reduction plant and rolling mill at Spokane are back into full capacity operation and are being served over the same lines that were used during the war. This eliminates the need for an equivalent number of new lines to Puget Sound and to the lower Columbia.

#### COLUMBIA RIVER BASIN PROJECT

The total expense of this project to be met from power revenues for the entire pay-out period is estimated at \$665,044,190 instead of \$660,636,190 shown a year ago. The increase is entirely in the early years from 1946 to 1950. The increases occur in operation and maintenance and replacements due to current price increases. Decreases are shown in interest as a result of greater repayments in the earlier years of the schedule. The net increase in expenses of \$4,408,000 for the whole pay-out period is more than offset by greatly increased revenues than was anticipated in the 1946 pay-out report.

#### THE PAY-OUT SUPPLEMENT FOR 1947

The first supplement to the pay-out report reflects increased costs due to higher prices but on the other hand shows a marked increase in power revenues due to the high level of business activity in the postwar period. The increase in revenues more than offsets the increase in expenses with the result that the three projects are in a much better position than last year. The total power revenues available for complete repayment of all the project costs and legal interest are estimated at \$1,898,543,577. These revenues are allocated as follows:

Columbia Basin project .....	\$365,044,189
Bonneville Dam project .....	178,716,392
Bonneville Power Administration .....	860,968,056
Total .....	1,704,728,637

The difference of \$193,814,940 is the surplus which is estimated at the end of the pay-out period after all costs have



been paid including interest at 3 percent on the power investment. The \$665,044.-189 shown above as applied to the Columbia Basin project is broken down into the following components covering the full repayment period:

Power investment.....	\$118,622,815
3 percent interest on power investment.....	63,994,870
Operation and maintenance of power facilities.....	142,908,707
Replacements of power facilities.....	70,856,428
Irrigation subsidy.....	233,141,793
River regulation.....	35,519,577
Total.....	665,044,190

Since preparation of the original pay-out report the Bureau of Reclamation has reestimated the construction cost of the Columbia Basin project at \$581,021,000 due to increase in current price levels. The supplement to the pay-out report retains the original cost estimate of \$506,459,180. The difference, amounting to \$74,561,820 can easily be covered by the \$193,814,940 surplus. Of the total construction cost of \$581,021,000, \$425,878,608 is to be used for reclamation alone. Three hundred and seven million seven hundred and three thousand six hundred and thirteen dollars of power revenues are used toward paying off this irrigation cost. In other words, 72 percent of all the reclamation cost is paid by the power users and 28 percent by the water users.

This pay-out supplement demonstrates even more forcibly than the original pay-out report which I presented last year that power revenues at the \$17.50 per kilowatt-year rate will pay all costs including interest on the power investment. The surplus of \$193,814,940 compares with the surplus of \$160,629,947 for last year, which was shown in the table on page 1250 of the Record, volume 92, part 1. This pay-out supplement is designed to answer all questions as to the ability of the projects to pay out. I believe the subject has been covered from every angle in the report. I hope it will clarify the misunderstanding that exists in some quarters to the effect that the \$17.50 rate must be raised to pay out. The report shows conclusively that this is not the case.

Mr. Speaker, since the date of issuance of the first pay-out study a year ago, there has never been a challenge made as to its validity. I cited the study in hearings before the Public Lands Committee recently and it went unchallenged. It has not been challenged because it is eminently correct and all statements to the contrary are unfounded.

The other prevailing impression which appears to have adversely affected proper consideration of these projects is that the residents of cities and towns surrounding project areas contribute nothing toward repaying the cost of those projects.

Mr. Speaker, I fail to understand how anyone can blandly state, on the one hand, that property values, production of agricultural and other products, industrial activities, taxable pay rolls, corporate profits, and all other factors of economic life in a community will be increased through the development of a reclamation project and still naively

hold that the persons who benefit from those increased values contribute nothing to the cost.

Have any of those who hold to this theory ever heard of the word "taxes"? Yes, Mr. Speaker, through income taxes on raised wages, through corporate taxes on increased profits, through property taxes on enriched real estate, through excise taxes on nearly every form of economic activity stimulated by that development, every single soul who lives within the area benefited by a project contributes directly in proportion to the amount of his benefit toward the cost of repayment and the support of the banker—the Federal Government—who made it possible.

That, in the proverbial nutshell, Mr. Speaker, is the answer to that charge. And I am yet amazed that the subject could have been seriously discussed, among men conversant with the economics of reclamation and development, without any of them realizing what an obvious answer it was.

I should like to close my remarks with a further reference to our relations with our brother nations throughout the world.

During the past several years, we have fought a tremendous war, costing billions of dollars and hundreds of thousands of lives, to conquer those whom we believed would destroy us. That expenditure can only be considered worth while if we can capitalize on it as an investment in the future of our own people.

We are attempting at the present time to feed one-fourth of the world's population with only 12 percent of its agricultural resources. We cannot possibly succeed in that program if we do not continue to develop and conserve those resources, at least at the rate at which we expend them.

The sum total of grants for aid to other countries since the conclusion of the war, including commitments made by the administration but not yet approved by Congress for 1948, total more than \$15,000,000,000. A generous portion of those amounts have been gift-loaned to these countries for the same kind of reclamation-resource development programs which we now advocate for our western United States.

And in this connection it is interesting to note that the Interior budget is but some one-half of 1 percent of the total before us. Something of the swallowing of the camel enters the over-all consideration when we realize that the total of our foreign relations commitments in the present budget amounts to the astounding sum of \$3,500,000,000. Current now are reports of upward of \$500,000,000 for Mexican loans suggested to be for water and river development below the border. Interesting, too, is the fact that the administrative costs of the State Department have risen from \$21,000,000 in 1941 to \$276,000,000 in the present budget. Probably we should strain at the gnat—but it depresses westerners to see us swallow such a camel.

I feel that I should point out that I would be remiss in my duty to my constituency and to my country if I did not question the advisability of spending any money at all for the purpose of supporting either the governments or economies

of foreign nations or for engaging in propaganda efforts to tell them about the glories of our own Nation before we make absolutely certain that the program we follow for development and conservation of our own priceless treasures is one characterized by sound principle and enlightened national self-interest.

Mr. Speaker, as I recently stated before the Reclamation Subcommittee of this body's Committee on Public Lands, it is not my fault that there are probably more than 45,000,000 horsepower of electricity flowing in the Columbia River. It is there. But I would be seriously at fault if I did not do everything within the limits of my ability to see that that tremendous energy was harnessed for the national good and welfare. I cannot urge too strongly that these principles be considered without regard to fractional prejudice or sectional interest, in making or refusing to make appropriations for the development of our remaining natural resources.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HARTLEY (at the request of Mr. EATON) to attend funeral of a member of family.

To Mr. CARSON (at the request of Mr. MCGREGOR), on account of serious illness of his mother.

#### ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 54 minutes p. m.), the House adjourned until tomorrow, Thursday, May 1, 1947, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

623. A letter from the Secretary of State, transmitting the fifth report of the Department of State on the disposal of United States surplus property in foreign areas; to the Committee on Expenditures in the Executive Departments.

624. A letter from the Chairman, the Textile Foundation, transmitting the annual report of the Textile Foundation for the fiscal year ending December 31, 1946; to the Committee on Interstate and Foreign Commerce.

625. A letter from the Secretary of War, transmitting a draft of a proposed bill to amend the Mustering-Out Payment Act of 1944; to the Committee on Armed Services.

626. A letter from the Secretary of the Treasury, transmitting the eleventh quarterly progress report of the Office of Contract Settlement; to the Committee on the Judiciary.

627. A letter from the Administrator, War Assets Administration, transmitting the progress report for the first quarter of 1947; to the Committee on Expenditures in the Executive Departments.

628. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill to authorize relief of the Chief Disbursing Officer, Division of Disbursement, Treasury Department, and for other purposes; to the Committee on Expenditures in the Executive Departments.

629. A communication from the President of the United States transmitting a revised estimate of appropriation for the fiscal year 1948 amounting to a decrease of \$1,010,000 for the Housing Expediter (H. Doc. No. 228);

to the Committee on Appropriations, and ordered to be printed.

630. A letter from the Comptroller General of the United States transmitting report on the survey of the accounting system of the Federal Public Housing Authority for the years ended June 30, 1945, and June 30, 1946 (H. Doc. No. 229); to the Committee on Expenditures in the Executive Departments, and ordered to be printed.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 2181. A bill relating to institutional on-farm training for veterans; with amendments (Rept. No. 327). Referred to the Committee of the Whole House on the State of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROPHY:

H. R. 3264. A bill to amend the Federal-Aid Highway Act of 1944, approved December 20, 1944, and for other purposes; to the Committee on Public Works.

By Mr. DIRKSEN:

H. R. 3265. A bill to amend the Emergency Price Control Act of 1942, as amended, relating to actions for civil liabilities for violation of the Emergency Price Control Act; to the Committee on Banking and Currency.

By Mr. FARRINGTON:

H. R. 3266. A bill to authorize the issuance of certain public improvement bonds by the Territory of Hawaii; to the Committee on Public Lands.

By Mr. GROSS:

H. R. 3267. A bill to provide for the construction of a country home for the President in the Commonwealth of Pennsylvania, and for other purposes; to the Committee on Public Works.

By Mr. HAYS:

H. R. 3268. A bill to repeal section 13b of the Federal Reserve Act, to amend section 13 of the said act, and for other purposes; to the Committee on Banking and Currency.

By Mr. HORAN:

H. R. 3269. A bill to fix the amount of an annual payment by the United States to the government of the District of Columbia; to the Committee on the District of Columbia.

By Mr. McCORMACK (by request):

H. R. 3270. A bill relating to the promotion of certain officers and former officers of the Army of the United States; to the Committee on Armed Services.

By Mr. KEE:

H. R. 3271. A bill to provide for reimbursing Summers County, W. Va., for the loss of tax revenue by reason of the acquisition of land by the United States for the Bluestone Reservoir project; to the Committee on Public Lands.

By Mr. DOLLIVER:

H. R. 3272. A bill relating to the computation of length of service, for promotion purposes of certain employees who are transferred from one position to another within the postal service; to the Committee on Post Office and Civil Service.

By Mr. JUDD:

H. R. 3273. A bill to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry; to the Committee on Education and Labor.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Hawaii memorializing the President and the Congress of the United States to provide for the exploration, investigation, development, and maintenance of the fishing resources and the development of the high-seas fishing industry of the Territories and island possession of the United States in the tropical and subtropical Pacific Ocean and intervening seas; to the Committee on Merchant Marine and Fisheries.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HEFFERNAN:

H. R. 3274. A bill for the relief of Joseph H. Dowd; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 3275. A bill to confer a classified civil-service status upon certain special-delivery messengers in the post office at Minneapolis, Minn.; to the Committee on Post Office and Civil Service.

By Mr. KLEIN:

H. R. 3276. A bill for the relief of Benedict Kleitsch; to the Committee on the Judiciary.

By Mr. MARCANTONIO:

H. R. 3277. A bill for the relief of Mrs. Catherine Maurice; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

405. By Mr. HARLESS of Arizona: Petition of the Arizona State Legislature, relating to lasting peace; to the Committee on Foreign Affairs.

406. Also, petition of the Arizona State Legislature, requesting Congress to support certain legislation beneficial to veterans and others; to the Committee on Veterans' Affairs.

407. Also, petition of the Arizona State Legislature, requesting Congress to create the Petrified Forest National Park; to the Committee on Public Lands.

408. By Mr. MURDOCK: Petition of the State Legislature of Arizona, relating to lasting world peace; to the Committee on Foreign Affairs.

409. Also, petition of the State Legislature of Arizona, requesting Congress to create the Petrified Forest National Park; to the Committee on Public Lands.

410. Also, memorial of the State Legislature of Arizona, pertaining to legislation beneficial to veterans and others; to the Committee on Veterans' Affairs.

411. By Mrs. SMITH of Maine: Memorial of the Senate and House of Representatives in the State of Maine to the Honorable Clinton P. Anderson, United States Secretary of Agriculture, petitioning against the order of April 9 for further reduction in milk prices because of the increase in cost of milk production due to advances in feed prices in the State; to the Committee on Agriculture.

412. By Mr. THOMASON: Petition of El Paso Post, No. 36, American Legion, urging that Public, 663, Seventy-ninth Congress, be amended to extend the time in which veterans who have lost their limbs may apply for an automobile to be furnished them by the Government; to the Committee on Veterans' Affairs.

413. By Mr. WOLCOTT: Petition of 24 residents of St. Clair County, Mich., expressing interest in proposed legislation which seeks to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and over the radio; to the Committee on Interstate Commerce.

414. By the SPEAKER: Petition of the Tulsa County Bar Association, petitioning consideration of their resolution with refer-

ence to endorsement of H. R. 1639; to the Committee on the Judiciary.

415. Also, petition of the board of trustees of the National Petroleum Association, petitioning consideration of their resolutions with reference to taxation of cooperatives, taxation of reclaimed oil, and taxation of lubricating oil; to the Committee on Ways and Means.

## SENATE

THURSDAY, MAY 1, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our Father, we would not weary Thee in always asking for something. This morning we would pray that Thou wouldst take something from us. Take out of our hearts any bitterness that lies there, any resentment that curdles and corrodes our peace. Take away the stubborn pride that keeps us from apology and confessing fault and makes us unwilling to open our hearts to one another. For if our hearts are closed to our colleagues, they are not open to Thee.

We ask Thy mercy in Jesus' name. Amen.

#### DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, D. C., May 1, 1947.

To the Senate:

Being temporarily absent from the Senate, I appoint JOHN W. BRICKER, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

A. H. VANDENBERG,  
President pro tempore.

Mr. BRICKER thereupon took the chair as Acting President pro tempore.

#### THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, April 30, 1947, was dispensed with, and the Journal was approved.

#### MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on April 30, 1947, the President had approved and signed the following acts:

S. 547. An act to provide for annual and sick leave for rural letter carriers; and

S. 736. An act authorizing the Commissioners of the District of Columbia to establish daylight-saving time in the District of Columbia during 1947.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on